

New Business Tax Workshop



Table of Contents

Welcome to our New Business Tax Workshop . . .	1	Penalties	20
Washington Tax Overview.	2	Helpful Hints	20
Your Rights and Responsibilities.	2	Collecting Retail Sales Tax.	20
Business and Occupation (B&O) Tax.	3	Business Information Changes.	20
State B&O, Tax	3	Avoid Late Payments.	20
Major B&O Tax Classifications.	3	Audit Process	21
Exemptions.	5	Appeals Process	22
Deductions.	5	Period for Filing an Appeal	22
Credits.	6	Services and Resources	22
Resale Certificates	7	Contacts for Specific Taxes and Programs	23
Retail Sales Tax	8	Other Agencies to Contact	24
Other Taxes Collected	9	Tax-related Information and Business Assistance	25
Local Coding of Retail Sales.	9	Appendices	25
Tools for Determining Sales Tax Rates and Codes	9	A Combined Excise Tax Return.	26-29
Retail Sales Tax Deductions.	10	B Multiple Activities Tax Credit.	30
Use Tax	10	C Resale Certificate.	31
Use Tax Exemption and Credit	12	D Confidential Tax Information Authorization	32-33
Reporting and Paying Use Tax	12	E Tax Inquiry Statement.	34
Public Utility Tax	13	F Buyers' Retail Sales Certificate	35-39
Special Taxes and Fees	14	G Small Business Tax Credit Tables	40-45
Tax Incentives	15	H Pre-consultation Visit Questionnaire.	46-47
General Manufacturing	15	I Common Business Activities Table	48-51
High Technology: Research and Development/Manufacturing/Services	15	Department of Revenue Taxpayer Assistance	52
Aerospace	16	Local Office Locations	52
Biofuel.	17		
Food Processing.	17		
Other Incentives	17		
Personal Property Tax	18		
Registering with the Department of Revenue	18		
Tax Return Payment and Reporting.	19		
Accounting Methods	19		
Payment of Taxes	19		
Due Dates	19		
Electronic Filing (E-file).	19		
Amended Returns	19		

Welcome to our New Business Tax Workshop

This workbook was created to help you better understand Washington's tax structure. It is intended to provide a basic overview of the taxes that apply to various business activities in Washington state.

Please remember that state tax laws change on a regular basis. The information contained in this workbook is current at the time of publication.

Specialists are available to answer your tax questions Monday through Friday from 8 a.m. to 5 p.m. (Wednesdays from 9 a.m. to 5 p.m.) at 1-800-647-7706.

Information on other services and publications is located in the back of this workbook and is available online at dor.wa.gov.

We hope that you find our workshop and workbook beneficial.

Washington Tax Overview

Washington State does not have a corporate or personal income tax. Most Washington businesses are subject to three major state taxes, which are either administered or overseen by the Department of Revenue:

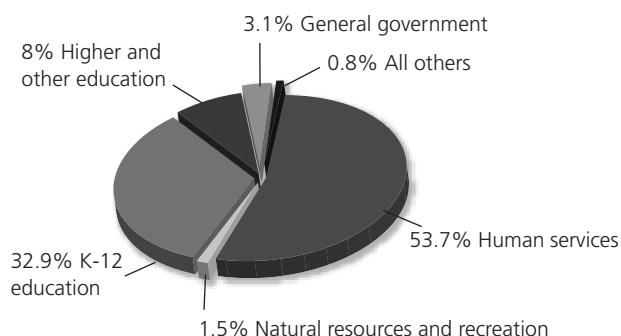
1. Business and occupation tax (B&O)
2. Retail sales tax
3. Use tax

Other taxes may apply to your business, such as:

- Public utility tax
- Specialty taxes
- County and city taxes

Where the money goes

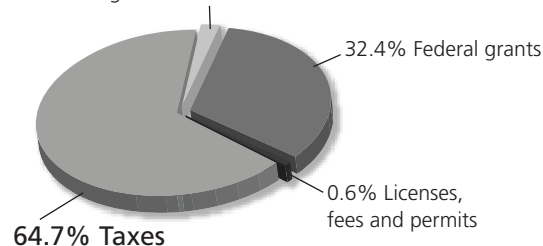
Expenditures: \$17,733 million



Where the money comes from

Revenue: \$18,544 million

2.3% Charges and misc. revenue



36% Retail sales/use tax
12% B&O tax
3% Other business taxes
7.5% Property tax levy
4.2% Real estate excise
0.3% Tobacco taxes
0.6% Liquor taxes
1.1% All other taxes

Your Rights and Responsibilities

Washington State taxpayers have the right to:

- Simple and prompt administrative process for tax refunds and credits.
- Timely, fair, and equitable treatment with dignity and respect.
- Accurate written information on reporting instructions, appeal procedures, refund claims, and reasons for assessment.
- Public hearings on proposed rules.
- Review and appeal of assessments, business registration revocations, and adverse rulings.
- Remedies when statutes and rules are found to be unconstitutional.
- Confidentiality of financial and business information.

Washington State taxpayers have the responsibility to:

- Register with the Department of Revenue.
- Know their tax reporting obligations and seek instructions when they are uncertain.
- Keep accurate and complete business records.
- File returns and pay taxes in a timely manner.
- Ensure the accuracy of the information entered on their tax returns.
- Substantiate claims for refund.
- Notify the Department of Revenue and pay taxes promptly when closing a business.

Business and Occupation (B&O) Tax

State B&O, Tax

The state business and occupation (B&O) tax is a gross receipts tax measured on the value of products, gross proceeds of sales, or gross income of your business. The B&O tax is part of a business' operating overhead and is levied upon the person or company engaged in the business activity. **It is not a tax imposed upon the purchaser or customer**, as is the case with Washington's retail sales tax. Almost all businesses located or doing business in Washington are subject to the B&O tax, including corporations, LLCs, partnerships, sole proprietors, and nonprofit corporations.

The B&O tax is due on **gross** income from business conducted in the state. No expense deductions are allowed for labor, materials, taxes, or other costs of doing business, although your business may qualify for certain exemptions, deductions, or credits.

Unlike the retail sales tax, a sale **does not have to occur for a business to owe B&O tax**. For example, if you extract or manufacture goods for your own use, you owe B&O tax.

The B&O tax rate, which is printed on the excise tax return, is based on the type of business activity. Your business can have multiple activities (classifications). You are responsible for determining which classification(s) to report your income under. If you are unsure of the classification(s), please contact us.

In addition to the major B&O tax classifications, several specific classifications exist. Some have the same B&O tax rate as the general classifications, but are reported on different lines on the return. Others have their own unique tax rates. Refer to Appendice A for excise tax return sample.

B&O Tax Rates

The most common classifications are:

Retailing	.00471
Wholesaling	.00484
Manufacturing	.00484
Service and Other Activities	.015

Major B&O Tax Classifications

There are more than 38 B&O tax classifications for business activities. Following are brief descriptions of four major classifications. You may also refer to the Common Business Activities Table, Appendix I.

Retailing

Businesses that sell goods and certain services to consumers are retailers. Taxable retail services include:

1. Improving real or personal property, such as:

- Custom construction
- Repairs to real or personal property

2. Certain personal services, such as:

- Tanning
- Physical fitness services and Pilates
- Tattooing

3. Specialized activities, such as:

- Lawn mowing, tree and shrub pruning, and trimming
- Escrow services
- Renting equipment with operators
- Extended warranties

Businesses making retail sales are subject to the Retailing B&O tax classification, even when the sales are not subject to retail sales tax. For example, food products are exempt from retail sales tax, but the income from food sales is taxable under the Retailing B&O tax classification.

Wholesaling

Wholesalers sell goods and services to businesses who will resell them to others in the regular course of business. The B&O tax is calculated on the wholesale selling price. If you are a wholesaler, you must keep a resale certificate on file from each buyer to document the transaction was a wholesale sale. **Do not** send completed resale certificates to the Department of Revenue; they must be kept by the wholesaler.

Retail sales tax is not collected on wholesale transactions. Blanket certificates are good as long as the buyer and seller do business with each other once every 12 months. A copy of a resale certificate is printed on page 31 for your use. For more information, see page 7 or refer to our Resale Certificate fact sheet found on our web site at dor.wa.gov.

Manufacturing

The Manufacturing B&O tax classification is used by firms that manufacture items in Washington. Manufactured products used by the manufacturer, but not sold (or used prior to sale), also are subject to B&O tax under this classification. The Manufacturing B&O tax is based on the value of the products, which is usually determined by the selling price. In cases where there is no sale, the value is the selling price of similar products. If the producer sells and delivers the manufactured product within the state, that income is also reported under the Wholesaling or Retailing B&O tax classification. However, because of the Multiple Activities Tax Credit, effectively only one tax is due. A State of Washington Multiple Activities Tax Credit (Schedule C) must be completed to claim the credit. See Appendix B, page 30.

Service and Other Activities

This classification is for businesses that provide personal and professional services. Any business not described under a particular classification of the B&O tax must report under this “catch all” category. Types of businesses and services that fall under this category include:

- Consulting services
- Management services
- Doctors
- Lawyers
- Beauticians
- Tutors
- Janitors

If you need help figuring out your business classification, call our Telephone Information Center at 1-800-647-7706.

Exemptions, Deductions and Credits

Although Washington's B&O tax applies to almost all business income, some exemptions, deductions, and credits are available.

Exemptions

The following are exempt activities and are not subject to the B&O tax. These activities do not need to be reported to the Department of Revenue on your excise tax return.

If your type of business, business income, or business activities are listed below as exempt, and you do not owe or collect any other taxes for the Department of Revenue, you do not need to register with us.

Nonprofit and Social Service Organizations

In Washington State, nonprofit organizations are not necessarily tax exempt, but the organization may qualify for exemptions or deductions. Qualifying activities include:

- Sales for fundraising activities of certain nonprofit organizations. This does not include the regular operation of a business enterprise such as a bookstore, thrift shop, or restaurant.
- Auctions conducted by public benefit organizations.
- Child care provided by churches and child care resource and referral income.

Government

- County, city, school, and fire district income, except utility or enterprise operations in competition with other businesses, and more than 50 percent funded by user fees.
- State and federal grants received by political subdivisions when no significant services are performed in return.
- Labor and services in regard to preparation of sand and gravel taken from pits that are owned or leased by a city or county, and used by the city or county for purposes of road construction and repair.
- Printing done by cities, counties, and school districts for their own purposes.

Financial

- International banking facilities.
- State and federally-chartered credit unions.

Farming

Certain farming activities are exempt from B&O tax. Some examples are:

- Farmers making wholesale sales of agricultural products produced by them, on land owned or leased by them.
- Raising and selling, at wholesale, plantation Christmas trees.
- Processing hops into extract, pellets, or powder sold to out-of-state buyers.
- Manufacturing fresh fruit or vegetables, dairy, and seafood products.

For more information, refer to our Agricultural Tax Guide available on our web site at dor.wa.gov.

Deductions

The five most common B&O deductions are listed below. Deductions for one B&O tax classification might not apply to another. The deduction detail sheet sent with your excise tax return shows allowable deductions for each classification.

1. Bad Debts

Previously reported income not received - "written off" in your accrual-based account books for federal income tax purposes - is deductible. (Washington Administrative Code 458-20-196)

Applies to all classifications.

2. Cash and Trade Discounts

The amount of bona fide discounts from the selling price that are included in the gross amount reported may be deducted. (WAC 458-20-108)

Applies to all classifications.

3. Interstate and Foreign Sales

Amounts received for items delivered by the seller or by a common carrier to out-of-state locations are deductible. Amounts received by service providers for services performed out-of-state are also deductible. (WAC 458-20-193 and -194)

Applies to selling classifications. Does not apply to manufacturing, processing, or extracting classifications.

4. Returns and Allowances

When the buyer returns items purchased and the entire selling price is refunded or credited, the seller may deduct the selling price previously reported.

(WAC 458-20-108)

Applies to all classifications.

5. Freight on Out-of-State Deliveries

Manufacturers, processors, and extractors may take a deduction for actual transportation costs from the point of origin in this state to the point of delivery outside the state. (WAC 458-20-112)

Applies to manufacturing, processing for hire, and extracting classifications.

Deductions must be included in your gross income, then identified and subtracted as deductions. The lines explaining the deduction must be filled out on the Deduction Detail pages included with your excise tax return.

Casual Sales

A casual sale is a sale of tangible personal property by a person who is not engaged in the business of selling the type of property involved.

Business and occupation tax does not apply to casual sales. The amount of the sale must be reported under the Retailing B&O tax classification, but a deduction may be taken on the deduction detail sheet for casual sales.

However, the retail sales tax must be collected on all casual sales made to consumers by a person who is engaged in a business activity.

Example: A dealership that is upgrading its computer system sells an old computer to one of its employees. The dealer is not in the business of selling computers, so no B&O tax is due, but the dealer must charge the employee retail sales tax on the selling price of the computer.

Deductions NOT Allowed

Businesses are not allowed to deduct any costs for doing business. For most businesses, this generally includes:

- Gasoline or other fuel purchases
- Wages and salaries
- Product costs
- Delivery costs (freight)

Credits

Credits exist for specific purposes, reducing the computed B&O tax liability, and in turn, your tax payment. Examples of credits include:

- Small Business B&O Tax Credit*
- International Services Tax Credit
- Rural County B&O Tax Credit
- High Technology B&O Tax Credit
- Ride Share Credit for B&O Tax
- Multiple Activities Tax Credit (MATC)
- Commute Trip Reduction Credit Program

Credits are also issued when you overpay your taxes in a reporting period.

*A Small Business B&O Tax Credit Table is mailed with each excise tax return. See page 40.

Local B&O Tax

In addition to the state B&O tax, many cities also tax businesses on their gross income. However, there is no connection between the state, and local B&O taxes. To find out if your city has a B&O tax, call your city's business license office or visit <http://access.wa.gov/government/local.asp>.

Resale Certificates

All retail sales to consumers of tangible personal property and charges for retail services, such as construction, are subject to the retail sales tax unless exempted by law.

Businesses purchasing goods or services for resale must provide a completed resale certificate to the seller. If they do not, the seller must charge the buyer retail sales tax on the total purchase.

A resale certificate is a signed statement from a buyer to a seller documenting that the buyer will resell the items or services purchased. Sellers are relieved of the obligation to collect sales tax when they receive and keep a properly completed resale certificate.

A resale certificate may be used for the following purchases:

1. Goods or services for resale in the regular course of business.
2. Ingredients or component parts of a new article of tangible personal property produced for sale.
3. Chemicals used in processing an article produced for resale.
4. Feed, seed, seedlings, fertilizer, and spray materials.

The following businesses may use a resale certificate without having a Tax Registration Number:

- Nonprofit organizations conducting periodic fundraising activities may purchase goods for resale. See WAC 458-20-169 for additional information.
- Farmers purchasing feed, seed, seedlings, fertilizer, and spray materials.
- Out-of-state businesses, which do not operate in Washington, may purchase goods for resale outside of the state.

A sample resale certificate is printed on page 31.

Retail Sales Tax

The retail sales tax is Washington's principal tax source.

Local sales tax is the second-largest revenue generator for local government programs, behind property tax.

All sales tax amounts collected from customers are considered trust funds of the state. These amounts are to be held by the retailer until remitted to the Department of Revenue.

Definition of a Retail Sale

Unless specifically exempt by law, a retail sale is every sale of tangible personal property, including articles produced, fabricated, or imprinted. It also includes sales of services, such as installation, repair, cleaning, altering, improving, constructing, and/or decorating real or personal property of or for consumers.

Certain services are specifically defined in the law to be retail sales, such as charges for transient lodging, automobile parking, title, and escrow services, touring services, extended warranties, and amusement and recreation.

Collecting and Reporting Retail Sales Tax

Retail sales tax applies to the selling price of taxable transactions and must be separately stated on the bill to the customer. The advertised price may include the amount of tax, if so indicated in an advertisement.

Local sales tax charts are available online and upon request by calling 1-800-647-7706. The charts show combined state and local taxes for each selling price. Sellers must use the correct tax rate or chart for each location in which sales are made.

Tax liability must be reported for all sales made during the reporting period on either the accrual or cash receipts basis of accounting (see page 19). Sellers are personally liable for remitting the correct amount of sales tax, even if they did not collect the proper amount, or any, from the purchaser. All amounts collected are legally

considered trust funds of the state. Any sales tax collected in excess of the amount due from the customer must be paid to the Department of Revenue unless the over-collected amount is refunded to the customer.

Distribution of Retail Sales Tax

Retail sales tax is used by the government entity that imposes the tax. The state tax is deposited in the state General Fund, while city and county taxes are returned to the local governments. The city and county governments use these taxes for general expenditure programs. The Regional Transit Authority tax must be used for the operation of local transportation systems.

Local revenues are returned to taxing districts based on the location of the sale.

Retail Sales Tax Rates

The state retail sales tax rate is 6.5 percent. Local retail sales tax, with rates ranging from 0.5 to 2.1 percent, is collected by retailers along with the state tax. The local tax may contain four elements:

1. The basic 0.5 percent city/county tax is effective in all areas of the state.
2. An "optional" city/county tax, ranging up to an additional 0.5 percent, is used by a majority of counties and all but a few cities.
3. A retail sales and use tax for the support of local transit systems which may be levied at a rate up to 0.8 percent.
4. A 0.1 percent tax for criminal justice programs, which certain counties may impose with voter approval.

Other Taxes Collected

In addition to retail sales tax, certain retail sales may require the seller to collect the following:

- Regional Transit Authority (RTA) is a 0.4 percent (this will increase April 1) tax collected on sales made in parts of King, Pierce, and Snohomish counties.
- King County Food and Beverage tax is a 0.5 percent tax collected on sales of food and beverages by restaurants, taverns, and bars in King County.
- Motor Vehicle Sales/Leases tax is a 0.3 percent tax that applies to sales, leases, and transfers of motor vehicles (including trucks and motor homes) licensed for on-road use. This tax does not apply to retail car rentals that are subject to the rental car tax.

For information on other specialized taxes, please refer to Special Taxes and Fees on page 14.

Local Coding of Retail Sales

Retailers must accurately report the total sales by location code for each place of sale so that we can accurately distribute local sales tax to the cities and counties.

Sales of goods and merchandise are coded to the location where delivery is made. For most retailers, this is the location of his or her place of business. But when an item is shipped or delivered, the sale is coded to the location where it is received by the customer; that might be a customer's home address, work address, construction site or wherever the buyer takes possession of the item.

Labor and services are coded according to where they are primarily performed. If an installation charge is normally added to the cost of an item, the entire charge for that item is coded to the site where it is installed. If goods are delivered into Washington from a point outside of the state the delivery address will determine the place of sale for purposes of calculating the local sales tax.

Local sales tax on the lease or rental of tangible personal property depends upon whether the lease/rental involves periodic payments.

Single payment

If a single payment is made and the lessee picks up the equipment at the location of the rental company, then the location of the rental company determines the sales tax rate and location code.

Periodic payments

If the item is rented or leased for a length of time and periodic payments are made, the first payment is coded to the location where the lessee receives the equipment, normally the location of the rental company. All subsequent payments are coded to the location where the equipment is primarily used by the lessee.

Tools for Determining Sales Tax Rates and Codes

We have a variety of tools available to help businesses assign the correct tax rates. Each quarter, we mail flyers listing the local sales and use tax codes and rates for all locations. We provide this list online, in numerous formats, along with a Tax Rate Lookup Tool that searches according to address, map, or latitude/longitude. Other tools include paper maps, downloadable databases, real-time web service interface, an Excel workbook, and a customer database conversion service that matches location codes to your customers' addresses. Visit destinationtax.dor.wa.gov and click on the link for "Information and tools."

Retail Sales Tax Deductions

The following retail sales tax deductions must be included in your gross income on the excise tax return and then subtracted as a deduction:

Bad debts

Deductible when written off in account books (i.e. deductible for federal income tax purposes) and reported on a previous tax return.

Interstate and foreign sales

Shipped by common carrier or delivered by seller outside of Washington.

Sales to the U.S. government

Bought with government funds; not sales to federal employees.

Motor vehicle fuel sales

Gas stations; motor vehicles and special fuel taxes administered by the Department of Licensing.

Prescription drugs, hearing aids, etc.

Sales of the above items for human use when the buyer presents a prescription.

Exempt food sales

Food and food ingredients per RCW 82.08.0293 must meet specific criteria.

Qualified nonresident sales

Proof of residency in qualifying state required.

Trade-in allowances

Like-kind exchanges.

Sales of manufacturing machinery

Must meet specific criteria. Refer to WAC 458-20-13601 or the Manufacturers' Sales/Use Tax Exemption fact sheet available at dor.wa.gov.

Taxable Amount for Tax Paid at Source

Amount on which sales tax was previously paid on goods purchased for resale without intervening use.

Other

Must identify applicable RWC or WAC.

Use Tax

Many taxpayers do not realize there are Washington tax obligations for goods purchased or acquired when sales tax was not paid. For instance, even though you don't pay sales tax when you shop in Oregon, your purchases are subject to use tax when you bring them into Washington.

Washington citizens also owe use tax in this state when they purchase items in other states that have a sales tax rate lower than Washington's.

"Use," "used," and "put to use" are defined in RCW 82.12.010 "the first act within this state by which the taxpayer takes or assumes dominion or control over the article." The definition applies to tangible personal property, some services (see RCW 82.04.050(2)(a)) and extended warranties.

Unpaid use tax costs our state and local governments millions of dollars in revenues each year. Even when a few people fail to pay use tax, we all lose. Projects and special programs that receive funding through the local government portion of the use tax are hurt.

There are many instances when Washington's sales tax is not paid on purchases. In most of these situations, use tax is due. Unless specifically exempted, **goods used in this state are subject to either the sales or use tax**, but not both. The tax applies regardless of where, or from whom, the property is purchased. Thus, the use tax compensates when sales tax has not been paid.

Here are some situations when use tax is due:

- Goods purchased out of state by subscription, through the Internet, or from a mail order catalog company in which the company does not collect Washington sales or use tax.
- Goods purchased from someone not required to collect sales tax. For example, when you purchase furniture or appliances from an individual through a newspaper classified ad or a yard/garage sale.

- Personal property acquired with the purchase of real property, (with the exception of machinery and equipment used in a manufacturing process, which may qualify for the Manufacturers' Sales/Use Tax Exemption).

Taxable Amount and Rates

The use tax rates are the same as the sales tax rates and can be found in our Tax Return Information and Local Sales and Use Tax Changes (LSU) flyer, available on our web site at dor.wa.gov or by calling 1-800-647-7706.

Use tax, unlike sales tax, is due at the rate applicable to the **location where you first use the article**, not where the sale takes place. The state portion of the tax is 6.5 percent, with local governments imposing their own additional use tax. Depending on the rate of local tax, the combined use tax rates vary.

Use tax is figured on the value of the goods when first used in Washington, which is generally the purchase price. Fair market value may be used if the goods are used outside the state for a lengthy period of time before being used in Washington by the same person.

The value of the goods includes shipping and delivery charges.

Property Used in a Trade or Business

Use tax is due when goods are purchased for consumption or use by a business and sales tax has not been paid. The following examples are of goods often purchased without sales tax and use tax is due:

- Supplies, fixtures, and equipment purchased from an out of state vendor.
- Supplies, fixtures, and equipment acquired when an existing business is purchased.
- Promotional items, such as hats, T-shirts, matches, calendars, and other items given to customers or other individuals.
- Magazine subscriptions.

- Advertising or promotional materials printed out of state and distributed in Washington.
- Parts installed and labor performed on tangible personal property repaired out of state.
- Materials installed when performing federal government, city/county housing authority, or public road construction contracts.
- Equipment loaned to a contractor on which sales tax was not previously paid.
- Articles withdrawn from inventory and used by the business.
- Items leased from out of state companies
- Gifts received (if donor has not paid use tax).
- Prizes.
- Articles manufactured by the business for its own use. If the articles are machinery and equipment used directly in a manufacturing operation, they may be exempt from the sales/use tax through the Manufacturers' Sales/Use Tax Exemption.

Trade-ins

If you purchase goods in another state and trade in a like-kind item to reduce the amount you pay for the goods, use tax is due on the amount after the value of the trade-in is subtracted. For example, you purchase a car in another state for \$5,000. The dealer accepts your current car as a trade-in for \$2,000. Therefore, you owe Washington use tax on \$3,000 at the rate in effect where you garage the car (normally your residence).

Note: If the dealer gives you \$2,000 cash instead of subtracting that amount from the new car price, then you have not traded-in your vehicle and use tax is due on the full \$5,000 price of the new vehicle.

Use Tax Exemption and Credit

Exemption

Residents of another state who move to Washington are exempt from the use tax on their household goods, personal effects, and private motor vehicles, if they acquired the property more than 90 days prior to the move.

Note: For purposes of this exemption, boats, motor homes, trailers, and other RV equipment do not qualify as private motor vehicles or personal effects. Those items are subject to use tax even if acquired more than 90 days prior to moving to Washington. A credit, in the amount of sales/use tax that was previously paid on the non-exempt item, can be used to offset the amount of Washington use tax owed. Proof of previously paid sales/use tax must be provided.

When items are donated to nonprofit, charitable organizations, local governments, and the state, the use tax is not due, even if the donor did not originally pay sales or use tax on the item. The donor is also exempt from the use tax as long as there was no intervening use of the item prior to the donation.

Credit

When you bring goods into Washington that you purchased in another state and paid sales tax at the time of the purchase, you can receive a credit for this tax by subtracting the amount of sales or use tax paid from the amount you owe. However, you must have proof that the tax was actually paid to the other state prior to use of the property in Washington.

See WAC 458-20-178 or RCW 82.12 for more information.

Reporting and Paying Use Tax

Registered businesses must report use tax under the use tax section of the excise tax return.

Use Tax Due Dates

Under state law, the use tax is due when the goods are first used in Washington. (See page 10 for the RCW definition of "used.") For example, if you purchase a new computer while traveling in Oregon, use tax is due when you return to Washington.

Public Utility Tax

Common Public Utility Tax Classifications

The public utility tax applies to your business if you engage in any of the following activities within Washington State, as defined in Chapter 82.16 of the RCW. If the public utility tax applies, B&O tax does not.

- **Water Distribution** - operation of a plant or system for the distribution of water for hire or sale.
- **Sewer Collection** - collection of sewerage.
- **Power** - operation of a plant or system for the generation, production, or distribution of electrical energy for hire or sale. The tax is levied on the person making the final distribution within the state.
- **Gas Distribution** - operation of a plant or system for the production or distribution, for hire or sale, of natural and/or manufactured gas.
- **Motor Transportation** - operation of any motor propelled vehicle by which persons or property of others are moved for hire.
- **Railroad, Railroad Car - Railroad:** operation of any railroad or carrying property for public hire on the line of any common carrier operated in this state. **Railroad car:** rental, lease, or operation of cars used for transportation of property or persons upon the line of any railroad operated in this state when such railroad is not owned or leased by the person engaging in such business.
- **Urban Transportation** - operation of any motor propelled vehicle by which persons or property of others are moved for hire when:
 - Operated entirely within the corporate limits of any city or town or within five miles of the corporate limits.
 - Operated entirely within or between cities or towns whose corporate limits are not more than five miles apart or are within five miles of each other.

Rules dealing with the public utility tax include WAC 458-20-179 and 458-20-180.

Public Utility Tax Income Exemption

Public utility businesses earning gross revenues under these amounts must report, but do not owe the tax:

Monthly	\$2,000
Quarterly	\$6,000
Annually	\$24,000

Special Taxes and Fees

Convention and Trade Center Tax

Additional tax is charged by hotels/motels with 60 or more units located in King County. You can find your convention and trade center tax location code in the Lodging Information Rates and Changes flyer.

Special Hotel/Motel Tax

Some areas levy an additional tax for transient rentals (less than 30 consecutive days) of hotel/motels, RV parks, or any other type of lodging. You can find the special hotel/motel location code in the Lodging Information Rates and Changes flyer.

Tobacco Products Tax

Tax on distributors who sell tobacco products at wholesale, or retailers who purchase tobacco products direct from out-of-state manufacturers.

Refuse Collection Tax

Paid by customers and remitted by the refuse collectors on the charge for refuse collection only. Landfill charges are subject to the Refuse Collection Tax (rate .036).

Hazardous Substance Tax

Tax on the first possessor, in Washington State, of substances defined by the Department of Ecology as hazardous.

Petroleum Products Tax

Persons first possessing petroleum products in Washington pay this tax. This special fund has a predetermined target amount. When reached, the tax is no longer due. Once the fund falls below the predetermined amount, the tax is again due based on the wholesale value of the petroleum product sold.

Solid Fuel Burning Device Fee

A \$30 fee is charged to the consumer by retailers on sales of wood stoves, coal stoves, fireplaces, including masonry and zero clearance fireplace inserts, and other similar devices which burn solid fuel.

Syrup Tax

Tax on the volume of syrup used to produce carbonated beverages sold at wholesale and retail in Washington. The business activity of selling such syrups in this state is also taxed. An exemption is provided for syrup previously subject to this tax in Washington.

Tire Tax Fee

Requires tire retailers to collect a \$1 fee for each retail sale of new replacement vehicle tires. The fee must be paid by the buyer to the seller.

Litter Tax

Paid by manufacturers, wholesalers, and retailers of products that contribute to the state's litter problem. The tax is due on the gross amount of sales within the state. Items in the following categories are subject to litter tax:

- Food for human or pet consumption
- Groceries
- Cigarette and tobacco products
- Soft drinks and carbonated waters
- Beer and other malt beverages
- Wine
- Newspapers and magazines
- Household paper and paper products
- Glass containers
- Metal containers
- Plastic or fiber containers made of synthetic material
- Cleaning agents and toiletries
- Non-drug drugstore sundry products

For more information on other special taxes and fees, visit our web site at dor.wa.gov or call 1-800-647-7706.

Tax Incentives

General Manufacturing

Machinery and Equipment (M&E) Sales & Use Tax Exemption

Available to: Manufacturers, processors for hire, and manufacturers performing manufacturing, research and development (R&D), and testing operations.

Qualifying Activity: Purchase of qualifying machinery and equipment used directly for manufacturing or research.

Rural County/Community Empowerment Zones (CEZ) Sales & Use Tax Deferral/Waiver

Available to: Manufacturers, R&D laboratories, and commercial testing facilities located in rural counties, Community Empowerment Zones (CEZ), or county with a CEZ.

Qualifying Activity: Certain construction and equipment purchases for new and expanding businesses.

Rural County/CEZ Business and Occupation (B&O) Credit for New Employees

Available to: Manufacturers, R&D laboratories, and commercial testing facilities located in rural counties or within a CEZ.

Qualifying Activity: Increase in-state employment by 15 percent.

High Technology: Research and Development/Manufacturing/Services

(Also see Aerospace, page 16)

High Technology B&O Credit for R&D Spending

Available to: Businesses conducting R&D in the fields of:

- Advanced computing
- Advanced materials
- Biotechnology
- Electronic device technology
- Environmental technology

Qualifying Activity: Research and development

High Technology Sales & Use Tax Deferral/Waiver

Available to: Limited to businesses conducting R&D and pilot scale manufacturing in fields of:

- Advanced computing
- Advanced materials
- Biotechnology
- Electronic device technology
- Environmental technology

Qualifying Activity: Certain construction and equipment purchases for new and expanding businesses.

Biotechnology & Medical Device Manufacturing Sales & Use Tax Deferral/Waiver

Available to: Biotechnology and medical device manufacturers.

Qualifying Activity: Certain construction and equipment purchases for new and expanding businesses.

B&O Credit for Software Programming & Manufacturing in Rural Counties

Available to: Businesses in rural counties that provide programming services or manufacture software.

Qualifying Activity: Creating new employment positions.

B&O Credit for Third Party Help Desk Services in Rural Counties

Available to: Businesses in rural counties that provide third party information technology help desk services.

Qualifying Activity: Providing help desk services.

Aerospace

Reduced B&O Tax Rate for Aerospace Businesses

Available to: Manufacturers and processors for hire of commercial airplanes or component parts of commercial airplanes, non-manufacturers engaged in the business of aerospace product development, certificated FAR repair stations making retail sales, and aerospace tooling manufacturers.

Qualifying Activity: Manufacturers and Processors for Hire: Manufacturing, and sales by the manufacturer, of commercial airplanes or component parts of commercial airplanes; or tooling especially designed for use in manufacturing commercial airplanes and component parts of commercial airplanes.

FAR Repair Stations: Retail sales made by certificated FAR part 145 repair stations.

Aerospace Non-Manufacturers: Aerospace product development for others.

B&O Credit for Preproduction Development Expenditures

Available to: Manufacturers and processors for hire of commercial airplanes or component parts of commercial airplanes, non-manufacturers engaged in the business of aerospace product development, certificated FAR repair stations making retail sales, and aerospace tooling manufacturers.

Qualifying Activity: Expenditures for aerospace preproduction development.

B&O Credit for Property/Leasehold Taxes Paid on Aerospace Manufacturing Facilities

Available to: Manufacturers and processors for hire of commercial airplanes or component parts of commercial airplanes, non-manufacturers engaged in the business of aerospace product development, certificated FAR repair stations making retail sales, and aerospace tooling manufacturers.

Qualifying Activity: For Manufacturers: Payment of property/leasehold taxes on new buildings, land, the increased value of renovated buildings, and equipment eligible for the machinery and equipment (M&E) exemption that is used exclusively in manufacturing commercial airplanes or components of such airplanes; or in manufacturing tooling specifically designed for use in manufacturing commercial airplanes or components of such airplanes.

For Certificated FAR Part 145 Repair Stations and Aerospace Non-manufacturers: Payment of property/leasehold taxes on new buildings, land, the increased value of renovated buildings, and qualifying computer equipment and peripherals used exclusively in aerospace product development or in providing aerospace services.

Sales & Use Tax Exemption for Aerospace Manufacturers for Computer Hardware/Software/Peripherals

Available to: Manufacturers and processors for hire of commercial airplanes or component parts of commercial airplanes, non-manufacturers engaged in the business of aerospace product development, certificated FAR repair stations making retail sales, and aerospace tooling manufacturers.

Qualifying Activity: Purchases of computer hardware, software, and computer peripherals, and charges for labor and services related to the installation of such equipment.

Biofuel

Reduced B&O Rate & Property/Leasehold Tax Exemption for Biodiesel/Alcohol Fuel Manufacturing

Available to: Manufacturers of biodiesel fuel, alcohol fuel, biodiesel feedstock, and wood biomass fuel.

Qualifying Activity: Manufacturing qualifying fuel products.

B&O Tax Deduction for Retail Sales of Biofuels, Sales/Use Tax Exemption for Machinery Equipment, and Construction of Facilities for Retail Sale and Delivery of Biofuels

Available to: Retail sellers and distributors of biofuels

Qualifying Activity: Retail sales and distribution of biofuels.

Food Processing

B&O Tax Exemption for Food Processors

Available to: Fresh fruit and vegetable processors, dairy products, and seafood manufacturers.

Qualifying Activity: Manufacturing and wholesale sales of fresh fruit and vegetables, dairy products and seafood for transport outside the state.

Food Processors Sales & Use Tax Deferral/Waiver

Available to: Fresh fruit and vegetable processors, dairy products and seafood manufacturers.

Qualifying Activity: Certain construction and equipment purchases for new and expanding businesses.

Sales Tax Deferral/Waiver of Cold Storage and Certain Food Manufactured/Processing Facilities

Available to: Fresh fruit and vegetable processors, dairy products and seafood manufacturers, cold storage warehouse.

Qualifying Activity: Construction or expansion of facility and purchase of qualifying equipment.

Other Incentives

Sales Tax Remittance on Construction of Warehouses, Grain Elevators, and Distribution Centers

Available to: Wholesalers, retail distribution centers, and third party warehouse businesses.

Qualifying Activity: Construction of 200,000 square feet or more warehouse and distribution center, one million bushel capacity grain elevators, or 25,000 square feet cold storage facility.

Reduced B&O Rate for Extracting/Manufacturing Timber and Wood Products

Available to: Extractors, manufacturers, and processors for hire of timber products and wood products.

Qualifying Activity: Extracting, manufacturing, or processing for hire of qualifying products.

Reduced B&O Rate for Solar Energy System Manufacturers & Wholesalers

Available to: Manufacturers, processors for hire, and wholesalers of solar energy systems and silicon components.

Qualifying Activity: Manufacturing or wholesaling qualifying products.

B&O Tax Credit for Workforce Training

Available to: All Washington employers.

Qualifying Activity: Payments to the Employment Training Finance Account through the Customized Employment Training Program.

B&O Tax Credit for International Service Providers

Available to: Persons providing international services, such as computer; data processing; information; legal; accounting and tax preparation; engineering; architectural; business consulting; business management; public relations and advertising; surveying; geological consulting; real estate appraisal; or financial services in designated geographical areas.

Qualifying Activity: Creating new jobs in these fields in the designated areas.

Personal Property Tax

Most people know that property tax applies to real property, such as land and improvements to land. Property tax also applies to personal property used in conducting business, when not exempt by law.

The chief characteristic distinguishing personal property from real property is mobility. Personal property includes machinery, equipment, furniture, and supplies. It does not include business inventories.

Administration

County assessors and treasurers administer the property tax in Washington State. Assessors value property at 100 percent of its true and fair value and treasurers collect the property tax. The Department of Revenue advises assessors and treasurers, and oversees the valuation and taxation of property across the state to ensure uniformity.

Personal Property Tax Listing Form

By April 30 each year, property owners must complete and file a Personal Property Listing Form with the county assessor, either by mail or electronically. Forms are available at your county assessor's office and our web site. Each Personal Property Listing Form must list all taxable property located in the county that was owned on January 1 of that year. For multiple locations, property owners must file a separate listing for each location.

Penalty for Failure to File

Property owners who do not file a listing of personal property by April 30 are subject to an estimated tax assessment by the assessor. A penalty of five percent of the tax will be added for each month after the deadline the listing is filed. The maximum penalty is 25 percent of the tax.

For More Information

A Personal Property Tax fact sheet is available from our web site at dor.wa.gov. Specific questions should be directed to your county assessor. Questions about property tax statements should be sent to your county treasurer. Telephone numbers for county offices are located in the government section of your local phone directory.

Registering with the Department of Revenue

You must register with the Department of Revenue if:

- Your business is required to collect retail sales tax.
- You are a buyer or processor of specialty wood products.
- Your business is required to pay any other taxes or fees to the Department of Revenue.

You DO NOT need to register with the Department of Revenue if:

- Your gross income is less than \$12,000 per year under both the business and occupation tax and the public utility tax, and you are not required to collect or pay any tax or fee to the Department of Revenue.

Tax Return Payment and Reporting

Accounting Methods

Unless you keep your books on a cash basis, taxes must be paid for all sales made during the reporting period, even if you have not received payment.

Payment of Taxes

Your state B&O tax is reported on the **excise tax return**. Businesses file tax returns monthly, quarterly, or annually. After registering your business, we will determine your reporting frequency based on your estimated gross income and your type of business. When it is time to file, we will mail the appropriate excise tax return to you.

Due Dates

Monthly filers

25th day of the month following the reporting period.

Quarterly filers

Last day of the month following the reporting period.

Annually filers

January 31 of each year.

If the due date falls on a weekend or legal holiday, the due date is extended to the next business day.

Electronic Filing (E-file)

Electronic filing is a free service that lets you prepare and file your tax return electronically any time of the day. E-file allows you to:

- Customize your tax return, showing only the lines you need.
- Calculate taxes due and flag potential errors, helping you avoid costly mistakes.
- Choose one of several payment methods - Electronic Funds Transfer (EFT), e-check, credit card, or paper check.
- Save postage and avoid the chance of your return being lost or delayed in the mail.
- File your return early and choose the date you want your payment withdrawn (with EFT).

E-file is fast, convenient, and secure. Visit our web site at dor.wa.gov for more information. If you need help getting started with E-file, call 1-877-345-3353.



Amended Returns

If you realize you made a mistake on your excise tax return, you should complete an amended return to correct it as soon as possible. Please contact your local Revenue office or call 1-800-647-7706 for assistance.

Penalties

If You Can't File or Pay on Time

Contact your local Department of Revenue office right away. There is a penalty on late payments. The penalties are as follows:

- **5 percent** after the due date until the last day of the month following the due date.
- **15 percent** after the last day of the month following the due date.
- **25 percent** after the last day of the second month following the due date, and anything after.

Filing extensions can be requested and penalties may be waived under limited circumstances.

Helpful Hints

Collecting Retail Sales Tax

Set up a separate account for retail sales tax (collected trust funds). Every time you collect sales tax, put the funds in that account. This way, you will not accidentally spend these funds and they will be available to remit with your return.

Business Information Changes

Please contact the Department of Revenue if any information you've given us has changed, including:

- Your address (physical and mailing)
- Email address
- Phone number
- Business entity
- Business activity
- Business closure

You can update your information online. To use this service, go to our web site at dor.wa.gov and sign up for My Account. If you are already signed up, click on Update My Account or Close My Account from your account information page to begin.

You may also report changes to your account using the Master Application, Appendix A. The Master Application is also available on our web site at dor.wa.gov.

Avoid Late Payments

- File electronically through our electronic filing system (E-file). See the E-file information on page 19.
- Mark your calendar. It is your responsibility to ensure your excise tax return is postmarked or filed electronically by the due date.
Hint: Once you E-file, you will automatically receive email reminders of your filing deadlines. You will no longer receive a paper return.

If you have questions about tax liability, payment, returns, or other subjects, call us at 1-800-647-7706.

Audit Process

As a registered business you may be selected for an audit. Audits are routine procedures used to determine whether state excise taxes have been reported and paid correctly. The majority of businesses we audit are chosen at random using statistical methods.

In general, your records will be reviewed to verify proper tax reporting. Where appropriate, you will also receive helpful instructions and information on how to fill out returns in the future. We are committed to working with you in a professional and cooperative manner.

Audit procedures and programs may include:

- Obtaining electronic files of the accounting records for the audit period.
- Random, non-statistical sampling of specific audit areas.
- Computer-assisted audits using a statistical sampling technique. These are primarily used for large businesses.

What to Expect During an Audit

Audits normally cover the four preceding calendar years, plus the current year through the end of the last calendar quarter. All taxes, deductions, and exemptions reported on your excise tax return will be reviewed.

An audit of your business activities will cover several major areas, including:

1. **Gross Income:** verification of proper amounts and classifications reported on the return.
2. **Deductions, credits and exemptions:** verification of proper amounts, classifications, and documentation.
3. **Purchases:** verification of retail sales or use tax paid on capital assets, consumable supplies, or articles manufactured for your own use.

Recordkeeping Requirements

To minimize inconvenience and the time it takes to complete an audit, you will be asked to have records available for the audit period for your meeting with the auditor, these include:

- Washington State excise tax return and work papers.
- Federal Income Tax Return for the business.
- Summary accounting records and source journals such as the check register, general ledger, sales journal, general journal, cash receipts journal, and any other records you use to record income and expenses.
- Sales invoices.
- Purchase invoices (accounts payable, receipts).
- Depreciation schedules listing all assets acquired or disposed of during the audit period along with purchase or sales invoices for those assets.
- Resale Certificates for any wholesale sales.
- Supporting documentation for all deductions and exemptions.

You have the right to appeal when you disagree with an assessment issued by the Department of Revenue.

Taxpayers who disagree with an assessment may ask for a supervisory conference before the assessment is issued. For example, when your business records are audited, the auditor will meet with you to discuss the results. If you disagree with those results, you can have a conference with the auditor's supervisor.

If the differences can't be resolved at the supervisory level, you can file a petition for review with the Department of Revenue Appeals Division.

Appeals Process

Period for Filing an Appeal

You must file an appeal before the due date or extension date of the assessment.

After the due date, you must:

- Pay the assessment.
- File a petition for review requesting a refund within four years of the close of the tax year in which taxes were paid.

Example: If you paid tax in June 2000, you have until December 31, 2004, to petition for a refund.

Appeals must be mailed to:

Appeals Division

Washington State Department of Revenue

PO Box 47460

Olympia, Washington 98504-7460

For more information

WAC 458-20-100 contains a full discussion of the administrative appeals process. For a copy of the rule, go to our web site at dor.wa.gov or call 1-800-647-7706.

Services and Resources

The Department of Revenue offers many services to make reporting your taxes as easy and convenient as possible. The following list contains a sampling of our services.

Web Site: dor.wa.gov

Our web site offers a wide variety of information and resources for your business, including:

- **Electronic Filing (E-file).** File and pay taxes electronically over the Internet.
- **Business Information Update.** You can notify us online if your business has moved, closed, or changed activities.
- **Local Offices.** Find telephone numbers, office hours, and directions to a local office near you.
- **Tax Rate Lookup Tool (GIS).** Find the correct code and tax rate for specific locations.
- **Business Records Database.** Look up public information on businesses registered in Washington State. Public information includes business name, open and close dates, North American Industry Classification Code System (NAICS), UBI/TRA number, and owner type. This information is available for non-commercial purposes only.
- **Publications and Forms.** Find our tax guides, fact sheets, reports, news releases, and forms online.
- **Reporting Fraud.** Report Washington State tax and license fraud using our online form. You may also link to other state agencies for information on fraud cases and consumer protection.
- **Research Statistics.** Access research publications, data on tax collections, tax-related statistics on business activity by industry and geographical area, and other statistical information about the state's tax structure.
- **Laws and Rules (Taxpedia).** Search our online database for Department of Revenue rules and laws. Also research tax-related laws, rules, advisories, administrative decisions, and court cases through Taxpedia.

Contacts for Specific Taxes and Programs

Brokered Natural Gas Tax

Taxpayer Account Administration Division
(360) 902-7018

Business and Occupation Tax Credit for New Employees in a Rural County/CEZ

Taxpayer Account Administration Division
(360) 902-7126

Cigarette Tax

Special Programs Division
(360) 570-3265

Corporate Withdrawals or Dissolutions

Audit Division
(360) 725-7554

Electronic Filing (E-file)

Visit our web site at dor.wa.gov
or call 1-877-345-3353

Electronic Funds Transfer (EFT) Program

Taxpayer Account Administration Division
(360) 902-7170

Enhanced Food/Fish Tax

Taxpayer Account Administration Division
(360) 902-7110

Estate Tax/Escheats

Special Programs Division
(360) 570-3231

Excise Tax Status Letters

Taxpayer Account Administration Division
(360) 902-7138

Excise Tax Refunds

Taxpayer Account Administration Division
(360) 902-7151

Forest Excise Tax

Special Programs Division
1-800-548-8829

Hotel/Motel Special Excise Tax

Taxpayer Account Administration Division
(360) 902-7072

Leasehold Excise Tax

Special Programs Division
(360) 570-3251

Oil Spill Response and Administration Tax

Taxpayer Account Administration Division
(360) 902-7034

Property Tax (General information)

Property Tax Division
(360) 570-5900

For information regarding a specific property tax assessment, please contact your county assessor.

Real Estate Excise Tax Refunds

Special Programs Division
(360) 570-5523

For information on the real estate excise tax, please contact the county treasurer's office where the property is located.

Retainage Fees

Audit Division
(360) 725-7588

Rule Hearings

Interpretations & Technical Advice Division
(360) 570-6119

Sales Tax Deferrals

Special Programs
(360) 570-3243 or (360) 570-3265 opt# 6

Tax Appeal Questions

Appeals Division
(360) 570-6140

Unclaimed Property

Special Programs Division
1-800-435-2429, www.claimyourcash.org.

Other Agencies to Contact

Department of Licensing

Master License Service

PO Box 9034

Olympia WA 98507-9034

(360) 664-1400

www.dol.wa.gov/business/file.html

Certain business activities require special registration or agency authorization. These include selling liquor, cigarettes, and lottery tickets. The **Master Application** contains general information on special requirements and how to obtain them. You can receive information about the licenses you may need for your business from the Department of Licensing.

You may also order a customized licensing packet. The packet includes information on licensing requirements, referrals to related federal, state, and local agencies, application forms tailored to your business type, and the booklet "Operating a Business in Washington State." The Department of Licensing also registers trade names for sole proprietorships and general partnerships. If you need a copy of your business license, contact the Department of Licensing.

Labor and Industries

Employer Services

PO Box 44140

Olympia WA 98504-4140

(360) 902-4817

www.lni.wa.gov

If you have one or more employees, you **must** apply for industrial insurance coverage with the Washington State Department of Labor and Industries. Industrial insurance is not required for business owners, but those who want it can complete an application for employer coverage. To apply for industrial insurance or request more information, please look for the nearest Labor and Industries location under the government pages in the telephone book, or visit their web site.

Employment Security

Status Unit

PO Box 9046

Olympia WA 98507-9046

(360) 902-9360

www.fortress.wa.gov/esd/portal/

If you have employees, you must apply for unemployment insurance coverage with the Washington State Employment Security Department. For the office nearest you, refer to the government pages in your telephone book.

Secretary of State

Corporations Division

PO Box 40234

Olympia WA 98504-0234

(360) 753-7115

www.secstate.wa.gov/corps

Contact the Secretary of State's office to file Articles of Incorporation or a Certificate of Limited Partnership if your business has either type of ownership. The Secretary of State also registers trade marks, as well as trade names for corporations and limited partnerships.

Internal Revenue Service

Information: 1-800-829-1040

1-800-829-4933

Forms: 1-800-829-3676

Fax-on-demand: 1-703-368-9694

Teletax: 1-800-829-4477
(24-hour tax information)

Internet: www.irs.gov

If you pay employment taxes, such as industrial and unemployment insurance, you need to have a Federal Employer Identification Number (FEIN). In some special cases, businesses without employees may be required to obtain a FEIN. The Internal Revenue Service also offers workshops and other taxpayer education services.

City and County Taxing Offices

Washington State Counties

www.mrsc.org/byndmrsc/counties.aspx

Washington Cities and Towns

www.mrsc.org/byndmrsc/cities.aspx

If your city or county has business taxes and you are located within the city limits, you will need to register with the city taxing authority, such as the city auditor. Businesses located outside city limits should register with the county taxing authority, which may be the county clerk's office.

Also, remember to contact your county assessor as soon as your business opens. Businesses are required to report personal property - assets used in the operation of a business - to the assessor. Personal property includes furniture, office equipment, machines, and supplies used in the course of doing business. See Personal Property Tax on page 18 for more information.

Check your local telephone directory for the location of these offices or visit their web sites.

Tax-related Information and Business Assistance:

Small Business Administration

(206) 553-7310

www.sba.gov

Department of Community, Trade and Economic Development

(360) 725-4000

Business.wa.gov

www.choosewashington.com

Find information and services from multiple agencies to help you start, register, operate, and grow your business. This new resource on Access Washington, the official state government web site, is continually being updated and improved to make it easier for you to handle tasks such as applying for permits, getting and renewing licenses, paying taxes and more. Check back often for new features.

Appendices

A	Combined Excise Tax Return	26-29
B	Multiple Activities Tax Credit	30
C	Resale Certificate	31
D	Confidential Tax Information Authorization	32-33
E	Tax Inquiry Statement	34
F	Buyers' Retail Sales Tax Certificate	35-39
G	Credit Tables	40-45
H	Pre-consultation Visit Questionnaire	46-47
I	Common Business Activities Table	48-51

MAIL TO:  Washington State
Department of Revenue
PO Box 34052
Seattle WA 98124-1052

Multi-Purpose Combined Excise Tax Return

☐ **Filing an Amended Return?** Check this box and attach a letter of explanation. Period / Year

Tax Registration Number

► **Use Black Ink &
Return Original Form**

► **This Return is Effective
January 1, 2008 forward**

NAME

FIRM NAME

STREET ADDRESS

CITY, STATE, ZIP

Address Changes? business location ☐ mailing address ☐ Business closed? ☐ Date closed See Help section, pg 2. Other Correspondence? ☐

Please fill in the appropriate box and note address changes above.

► **Use Black Ink & Return The Original Form**

I STATE BUSINESS AND OCCUPATION TAX

Line No.	Tax Classification	Code	Column 1 Gross Amount	Col. 2 Deductions* Totals from Pg. 3 & 4	Column 3 Taxable Amount	Col. 4 Rate	Column 5 Tax Due
1	Extracting, Extracting for Hire	16				.00484	
2	Slaughter, Break Proc, Perish Meat-Whise; Mfg Wheat into Flour; Soybean & Canola Proc	30				.00138	
3	Travel Agent Com/Tour Operators; Intl Charter Freight Brokers; Stevedoring; Licensed Boarding Homes	28				.00275	
4	Insurance Agents; Insurance Brokers Commis	14				.00484	
5	Prescription Drug Warehousing; Mfg: Bio/Alcohol Fuel, or Split/Proc Dried Peas	21				.00138	
6	Processing for Hire; Printing and Publishing	10				.00484	
7	Manufacturing	07				.00484	
8	Royalties; Child Care	80				.00484	
9	Wholesaling	03				.00484	
10	Warehousing; Radio & TV Broadcasting; Public Rd Const; Gov Contracting; Chem Dependency Ctr; Canned Salmon Labelers	11				.00484	
11	Public or Nonprofit Hospitals	55				.015	
12	Cleanup of Radioactive Waste for US Gov	83				.00471	
13	Service & Other Activities; Gambling Contests of Chance (less than \$50,000 a year)	04				.015	
14	Gambling Contests of Chance (\$50,000 a year or greater)	192				.0163	
15	Retailing of Interstate Transportation Equip	19				.00484	
16	Retailing	02				.00471	
					TOTAL B&O TAX		

GROSS AMOUNTS FOR RETAILING AND RETAIL SALES MUST BE THE SAME

* Deductions taken but not itemized on pages 3 and 4 will be disallowed.

II STATE SALES AND USE TAX

17	Retail Sales (also complete local tax section III)	01				.065	
18	Use Tax/Deferred Sales Tax (also complete local tax section III)	05				.065	
					Value of articles used by taxpayer as a consumer on which no Washington sales tax has been paid		

TOTAL STATE SALES & USE TAX

- ☐ **If you have no business activity, check the box and mail this return (unless filed electronically)**
- If filing Amended Return, compute penalty ONLY if original return was assessed a penalty.
- Please make check or money order payable to the Washington State Department of Revenue. Include your tax registration number on your check. Do not mail cash or coins.
- For assistance, call 1-800-647-7706.
- Signature
- Ph. () Date
- ★ 5% Penalty Assessed After Due Date
15% Penalty Assessed After the Last Day of the Month Following the Due Date
25% Penalty Assessed After the Last Day of the Second Month Following the Due Date
If the due date falls on a weekend or legal holiday, the due date is extended to the next business day.

III LOCAL CITY AND/OR COUNTY SALES AND USE TAX

Local Sales Tax (Enter applicable rate of tax.) Code 45

Total Taxable Amount must be the same as line 17, column 3, Taxable Amount

Line No.	Location Code	Taxable Amount	Local Rate	Tax Due City or Co.
19				
20				
21				
22				
TOTAL TAXABLE			TOTAL	

Local Use Tax/Deferred Sales Tax (Enter applicable rate of tax.) Code 46

Total Value of Articles must be the same as line 18, column 1, Gross Amount

Line No.	Location Code	Value of Articles	Local Rate	Tax Due City or Co.
23				
24				
TOTAL VALUE OF ARTICLES			TOTAL	

Line No.	Tax Classification	Code	Taxable Amount	Rate	Tax Due
25	Motor Vehicle Sales/Leases	120		.003	
26	Region Transit Authority (RTA)	89	RTA reported with Local Rate. See Need Help section, pg. 2		
27	King County Food & Bev	90		.005	
28	Litter Tax	36		.00015	

Line No.	Item	VII TOTALS
29	Total All Tax Due from page 1	
30	Total All Tax Due from page 2	
31	Total All Addendums (example: Rental Car Addendum)	
32	Subtotal (add lines 29-31)	
33	Credit (from page 2, section VI, total credit)	
34	Subtotal (subtract line 33 from line 32)	
35	Add Penalty, if applicable ★ Minimum \$5.00	
TOTAL AMOUNT OWED (add lines 34 - 35)		

IV LODGING TAXES

TRANSIENT RENTAL INCOME INFORMATION Code 47			
Line No.	Location Code	Income	
36			
37			
38			
39			

(enter location code and income only)

TOURISM PROMOTION AREA LODGING CHARGE Code 170				
Line No.	Location Code	Number of Unit/Days	Unit/Day Rate Charged	Total Charges Due
40				
41				
42				
43				

TOTAL TOURISM PROMOTION AREA LODGING CHARGE

CONVENTION AND TRADE CENTER TAX Code 48				
Line No.	Location Code	Taxable Amount	Rate	Tax Due
44				
45				
46				

TOTAL CONVENTION & TRADE CENTER TAX

SPECIAL HOTEL/MOTEL TAX Code 70				
Line No.	Location Code	Taxable Amount	Rate	Tax Due
47				
48				
49				

TOTAL SPECIAL HOTEL/MOTEL TAX

**For those filing Public Utility Tax see "Need Help?" below.

V OTHER TAXES

Line No.	Tax Classification	Code	Column 1 Gross Amount	Col. 2 Deductions* Totals from Pg. 4	Column 3 Taxable Amount	Col. 4 Rate	Column 5 Tax Due
50	Tobacco Products/Cigars (less than \$0.67)	20				.75	
51	Refuse Collection	64				.036	
52	Petroleum Products Tax	57	Temporarily Not Due – Fund Limit Reached				.005
53	Hazardous Substance	65				.007	
54	IMR (For monthly filers only.)	79				.06	

Line No.	Tax Classification	Code	Item	Quantity	Rate	Tax Due
55	Solid Fuel Burning Device Fee	59	Number of Stoves, Fireplaces, & Solid Fuel Burning Devices Sold:		\$30.00	
56	Syrup Tax	54	Number of Gallons (whole numbers only) Sold:		\$1.00	
57	Tire Fee	73	Number of Tires Sold:		.90	
58	Cigar Tax (\$0.67 or more)	194	Number of Cigars (\$0.67 or more):		.50	
59	State Enhanced 911, TRS, & WTAP	93	Number of Taxable Switched Access Lines:		.46	
60	Wireless State Enhanced 911 Tax	94	Number of Taxable Radio Access Lines (Wireless):		.20	

* Deductions taken but not itemized on page 4 will be disallowed.

TOTAL OTHER TAXES (add lines 50-61)**NEED HELP?**

** Public Utility Tax is filed using an addendum. To get a copy of the Public Utility Tax Addendum go to <http://dor.wa.gov> or call 1-800-647-7706.

Regional Transit Authority (RTA)

The RTA tax will no longer be reported separately. The local sales and use tax rates have changed to include the RTA rate. For those locations that are not in the RTA, new location codes have been established. For more information, see the Regional Transit Authority (RTA) Tax Reporting Changes Special Notice or the Local Sales & Use Tax Rates & Changes Flyer at <http://dor.wa.gov>.

Internet Assistance – Go to DOR's home page at <http://dor.wa.gov>

- Get tax return information and instructions, penalty waiver information, and more.
- Get the Local Sales and Use Tax Addendum, and other tax-related forms.
- Update your account information or to close your account with the Department of Revenue.

Telephone Assistance

- Call the Department of Revenue office nearest you or 1-800-647-7706.
- To file a No Business Activity return by telephone, call 1-800-647-7706. At the greeting, enter code 111 to start the process. Enter your 9-digit tax registration number and follow the instructions given. Do not mail paper return back to the Department.
- For penalty waiver criteria information, call 1-800-334-8969 and enter code 429.
- For business closure information, call 1-800-334-8969 and enter code 430.

To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 705-6715. Teletype (TTY) users may call 1-800-451-7985.

VI CREDITS

Line No.	Credit Classification	Credit I.D.	Amount
61	Multiple Activities Tax Credit (attach Schedule C)	800	
62	Manufacturing Software; Programming Rural Employment B&O Credit	860	
63	Help Desk Services B&O Credit	865	
64	International Services Credit	855	
65	Small Business B&O Tax Credit (go to http://dor.wa.gov)	815	
66	Electric Utility Rural Economic Development Revolving Fund Public Utility Tax Credit	870	
67	Renewable Energy System Cost Recovery Credit	925	
68	Bad Debt Tax Credit (attach Schedule B)	801	
69	Hazardous Substance	805	
70	Public Utility Tax Credit for Billing Discounts/Qualified Contributions to a Low Income Home Energy Assistance Fund	880	
71	Tobacco Products/Cigar Tax Credit	930	
72	B&O Credit for Syrup Tax Paid	945	
73	Other Credits (attach appropriate documents)	810	

TOTAL CREDIT (transfer to page 1, line 33)



Multi-Purpose Deduction Detail

Period / Year

► Name Tax Registration No.

- If you have deductions, return pages 3 and 4. If you do not have deductions do not return pages 3 and 4.
- We cannot approve deductions taken on the Combined Excise Tax Return that are not itemized on this page.
- Report deductions under the heading that corresponds to your reporting activity.
- Transfer the total deduction amount for each classification from this page to the corresponding line on your tax return in the deduction column.

If completing, fill out name, tax registration number and attach to your Combined Excise Tax Return.

Line 1 - Extracting, Extracting for Hire	I.D.	Amount
Bad Debts	1601	
Cash & Trade Discounts	1602	
Other (Explain):	1699	
TOTAL		

Line 2 - Slaughter, Break Processing...	I.D.	Amount
Bad Debts	3001	
Cash & Trade Discounts	3002	
Other (Explain):	3099	
TOTAL		

Line 3 - Travel Agent Com; Intl Charter...	I.D.	Amount
Bad Debts	2801	
Cash & Trade Discounts	2802	
Other (Explain):	2899	
TOTAL		

Line 4 - Insurance Agents; Insurance...	I.D.	Amount
Bad Debts	1401	
Other (Explain):	1499	
TOTAL		

Line 5 - Prescription Drug Warehousing...	I.D.	Amount
Bad Debts	2101	
Cash & Trade Discounts	2102	
Freight on Out-of-State Deliveries	2103	
Interstate & Foreign Sales (Use for Prescription Drug Warehousing Only.)	2104	
Advances Reimbursements; Rtrns & Allowances	2107	
Other (Explain):	2199	
TOTAL		

Line 6 - Processing for Hire; Printing and...	I.D.	Amount
Bad Debts	1001	
Cash & Trade Discounts	1002	
Freight on Out-of-State Deliveries	1003	
Advances Reimbursements; Rtrns & Allowances	1007	
Other (Explain):	1099	
TOTAL		

Line 7 - Manufacturing	I.D.	Amount
Bad Debts	0701	
Cash & Trade Discounts	0702	
Freight on Out-of-State Deliveries	0703	
Advances Reimbursements; Rtrns & Allowances	0707	
Other (Explain):	0799	
TOTAL		

Line 8 - Royalties; Child Care	I.D.	Amount
Bad Debts	8001	
Cash & Trade Discounts	8002	
Advances Reimbursements; Rtrns & Allowances	8007	
Other (Explain):	8099	
TOTAL		

Line 9 - Wholesaling	I.D.	Amount
Bad Debts	0301	
Cash & Trade Discounts	0302	
Interstate & Foreign Sales	0304	
Motor Vehicle Fuel Tax	0305	
Casual Sales; Accommodation Sales	0306	
Advances Reimbursements; Rtrns & Allowances	0307	
No Local Activity	0308	
Dairy, Seafood, Fruits/Veg Processors (see below)*	0367	
Other (Explain):	0399	
*Local sales for out-of-state delivery	TOTAL	

Line 10 - Warehousing; Radio & TV...	I.D.	Amount
Bad Debts	1101	
Cash & Trade Discounts	1102	
Interstate & Foreign Sales	1104	
Advances Reimbursements; Rtrns & Allowances	1107	
Radio/TV Advertising	1109	
Other (Explain):	1199	
TOTAL		

Line 11 - Public or Nonprofit Hospitals	I.D.	Amount
Bad Debts	5501	
Cash & Trade Discounts	5502	
Advances Reimbursements; Rtrns & Allowances	5507	
Other (Explain):	5599	
TOTAL		

Not all deductions are allowable from both Retailing and Retail Sales Tax.

Line 12 – Cleanup of Radioactive Waste...	I.D.	Amount
Bad Debts	8301	
Cash & Trade Discounts	8302	
Interstate & Foreign Sales	8304	
Advances Reimbursements; Rtrns & Allowances	8307	
Other (Explain):	8399	
TOTAL		

Line 13 – Service & Other Activities; Gambling Contests of Chance (less than \$50,000 a year)	I.D.	Amount
Bad Debts	0401	
Cash & Trade Discounts	0402	
Interstate & Foreign Sales (Apportionment)	0404	
Advances Reimbursements; Rtrns & Allowances	0407	
Gambling; Prize; Cash Pay-Outs	0410	
Qualified Initiation Fees; Dues; Contributions Received	0411	
Interest on Certain Invest/Loan/Obligations	0412	
Artistic/Cultural Activities	0416	
Other (Explain):	0499	
TOTAL		

Line 14 – Gambling Contests of Chance (\$50,000 a year or greater)	I.D.	Amount
Gambling; Prize; Cash Pay-Outs	19210	
Other (Explain):	19299	
TOTAL		

Line 15 - Retailing of Interstate Transport...	I.D.	Amount
Bad Debts	1901	
Cash & Trade Discounts	1902	
Interstate & Foreign Sales	1904	
Advances Reimbursements; Rtrns & Allowances	1907	
Consignment Sales	1915	
Other (Explain):	1999	
TOTAL		

Line 16 – Retailing (B&O)	I.D.	Amount
Bad Debts	0201	
Cash & Trade Discounts	0202	
Interstate & Foreign Sales	0204	
Motor Vehicle Fuel Tax	0205	
Advances Reimbursements; Rtrns & Allowances	0207	
No Local Activity	0208	
Casual Sales; Accommodation Sales	0213	
Tax in Gross	0214	
Consignment Sales	0215	
Artistic/Cultural Activities	0216	
Presc. Drugs Sold by Pub. Oper/Nonprofit Hospitals	0217	
Dairy and Seafood Processors (see below)*	0267	
Other (Explain):	0299	
TOTAL		

*Local sales for out-of-state delivery

Line 17 – Retail Sales Tax	I.D.	Amount
Bad Debts	0101	
Cash & Trade Discounts	0102	
Interstate & Foreign Sales	0104	
Tax in Gross	0114	
Sales to U.S. Government	0118	
Motor Vehicle Fuel Sales	0119	
Prescription Drugs/Hearing Aids/Lenses/etc	0121	
Exempt Food Sales	0122	
Qualified Nonresident Sales	0123	
Trade-in Allowance	0124	
Newspapers	0125	
Certain Network Telephone Service	0126	
Sales to Indians with Delivery on the Reservation	0128	
Sales of Feed to Fish Farmers	0129	
Taxable Amount for Tax Paid at Source	0130	
Returns & Allowances	0131	
Sales to Nonprofit Organizations of Artistic/Cultural Art Objects for Displays	0132	
Ride-Sharing Vans	0134	
Purebred Livestock for Breeding	0135	
Tax Deferral/Investment Certificate No. _____	0136	
Sale of Manufacturing Mach/Equip; Install Labor	0156	
Retail Sales Tax Exempt Purchases by Farmers	0159	
Direct Pay Permits	0170	
Other (Explain):	0199	
TOTAL		

Line 51 - Refuse Collection	I.D.	Amount
Bad Debts	6401	
Sales to U.S. Government	6418	
Sales to Other Refuse/Solid Waste Collectors	6445	
Other (Explain):	6499	
TOTAL		

Line 52 - Petroleum Tax	I.D.	Amount
Petroleum Products Exported Out of State	5746	
Other (Explain):	5799	
TOTAL		

Line 53 - Hazardous Substance	I.D.	Amount
Other (Explain):	6599	
TOTAL		



Washington State
Department of Revenue
Taxpayer Account Admin.
PO Box 47476
Olympia WA 98504-7476

State of Washington
Multiple Activities Tax Credit
Schedule C

NAME _____	REG NO. _____
FIRM NAME _____	
ATTACHED TO: _____ EXCISE TAX RETURN	
<i>Period</i>	<i>Year</i>

INSTRUCTIONS FOR PART I

Use Part I **ONLY** if you have paid taxes to other states with respect to activities also taxable in Washington.

- Find the Activity (A through E) which applies to your business (more than one activity may apply).
- Enter in Column 1 the taxable amount pertaining to that activity as reported on the Combined Excise Tax Return.
- Enter in Column 2 the amount of Washington B & O Tax due on the amount in Column 1.
- Enter in Column 3 the amount of gross receipts tax paid to other states under the appropriate heading.
- Enter in Column 4 the lesser of the amounts entered in Columns 2 and 3.
- Add all amounts in Column 4 and enter in the Subtotal Box.

PART I - EXTERNAL CREDITS "Taxes Paid To Other States"

	Column 1	Column 2	Column 3			Column 4
ACTIVITY WHICH RESULTS IN A TAX CREDIT	Taxable Amount	B & O Taxes Paid	Gross Receipts Taxes Paid			Total Credit
			Other U.S. States	Non-Washington Local Govts.	Foreign Countries and Territories	
A. Sales in Washington of products extracted outside of Washington						67
B. Sales in Washington of products manufactured outside of Washington						67
C. Washington manufactured products extracted outside of Washington						67
D. Washington extracted products sold outside of Washington						68
E. Washington manufactured products sold outside of Washington						68
Multiple Activities Tax Credit Subtotal of taxes paid to other states						

INSTRUCTIONS FOR PART II

Use Part II **ONLY** if you have reported taxable amounts under two or more Washington B & O tax classifications.
Make no entries in the shaded boxes.

- Find the Activity (F, G or H) which applies to your business (more than one activity may apply).
- Enter in Column 1 the taxable amount pertaining to this activity.
- Enter in Column 2 the B & O Tax applicable to this activity under the appropriate heading(s). (Use the appropriate tax rates for your activities as shown on the Combined Excise Tax Return, Column 5).
- For Activity F enter in Column 3 the tax amount listed under Extracting.
- For Activity G combine the amounts entered under wholesaling and retailing and enter the result in Column 3.
- For Activity H combine the amounts entered under wholesaling and retailing. Enter in Column 3 the lesser of the manufacturing or the combined wholesaling and retailing amount.
- Add all amounts in Column 3 and enter in Subtotal Box.

PART II - INTERNAL CREDITS "Taxes Paid To Washington State"

	Column 1	Column 2				Column 3
ACTIVITY WHICH RESULTS IN A TAX CREDIT	Taxable Amount	Business And Occupation Tax Reported				Total Credit
		Extracting	Manufacturing	Wholesaling	Retailing	
F. Washington extracted products manufactured in Washington						16
G. Washington extracted products sold in Washington						16
H. Washington manufactured products sold in Washington						07
Multiple Activities Tax Credit Subtotal of taxes paid to Washington State.						
Enter the total credits from Part I and Part II in this box and transfer the amount to the Multiple Activities Tax Credit line on the Combined Excise Tax Return						Credit ID 800

For tax assistance visit <http://dor.wa.gov> or call 1-800-647-7706. To inquire about the availability of this form in an alternate format for the visually impaired, please call (360) 705-6715. Teletype (TTY) users may call 1-800-451-7985.



RESALE CERTIFICATE

1. Name of Seller: _____
2. Name of Buyer/Business: _____
3. Address of Buyer: _____

Street, City, State & Zip Code
4. Buyer's Tax Registration Number: _____
5. Buyer is in the business of: _____
6. Types of items purchased for resale: _____

The buyer certifies that it is purchasing the items listed on line 6 (please check appropriate box):

- ☐ *For resale in the regular course of business without intervening use.*
- ☐ *For use as an ingredient or component part of a new article of tangible personal property to be produced for sale,*
- ☐ *as a chemical to be used in processing a new article of tangible personal property to be produced for sale, or*
- ☐ *for use as feed, seed, seedlings, fertilizer, or spray materials in its capacity as a farmer.*

*The buyer acknowledges that it is solely responsible for purchasing within the categories listed on line 6. The buyer acknowledges that misuse of the resale privilege subjects the buyer to a **penalty of 50 percent of the tax due**, in addition to the tax, interest, and any other penalties imposed by law.*

Print Name: _____

Name of Person Authorized By the Buyer to Sign the Resale Certificate

Signature: _____

Signature of Authorized Agent of the Buyer

Effective Date: _____ through _____

(Not To Exceed 4 Years)

Date Signed: _____

Seller must maintain a copy. **Please do not send to Department of Revenue.**
 Reference Rule and Statute (RCW 82.08.130 and WAC 458.20.102)

For tax assistance, visit <http://dor.wa.gov> or call 1-800-647-7706. To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 705-6715. Teletype (TTY) users may call 1-800-451-7985.

REV 27 0020 (2/8/05)



Confidential Tax Information Authorization

EXC/TIA

Attention: _____ **Fax Number:** _____
 Unless otherwise directed, fax to (360) 705-6696

Tax information is confidential and cannot be shared with anyone without the taxpayer's express permission. By completing this form, you are authorizing the Department of Revenue to share your tax information with the person(s) you name below. Please fill in all parts of this form, carefully describing the specific information you want the Department to share and the periods covered by this authorization. This request may cover all tax information we have on file, or it may be limited to certain information and/or periods of time. **Please read instructions on Page 2.**

NOTE: This form will remain in effect until cancelled or replaced. Please refer to the Instructions on Page 2, Part 3.

1. Enter UBI/Tax Registration Number or other DOR identifying number

2. Name of taxpayer giving the Department of Revenue Authorization to share tax information

Taxpayer or business name(s) and mailing address:

Telephone: _____

Fax : _____

E-mail: (optional) _____

FEIN No: (optional) _____

Check if new: ☐ Address ☐ Phone No.

3. Person, company, or firm with whom your confidential tax information can be shared

Name and mailing address:

Telephone: _____

Fax : _____

E-mail: (optional) _____

Check if: ☐ *New or replaces current Authorization*
☐ *Adds an additional person or company to current Authorization on file*

4. Information to be shared (please describe or state "All")

5. Year(s) or filing period(s) (be specific or state "All")

6. Signature of taxpayer giving authorization (see instructions)

I declare that I am authorized to execute this form on behalf of the business/account for the information and periods stated above. I am listed in official records held by Washington Secretary of State or Department of Licensing as the owner, partner, corporate officer, member of the LLC, or am otherwise authorized to sign on behalf of this business/account. I declare under penalty of perjury under the laws of the state of Washington that the foregoing is true and correct.

X _____
 Print Name Title (if applicable) Please Print

X _____
 Signature

_____ Dated _____ City and State in Which Signed _____

7. Make a copy of this completed form for your files. Send by mail or fax to Department of Revenue. See Instructions, Part 7.

For department use only

Verification: Employee name _____

Instructions for Completing the Confidential Tax Information Authorization

The Confidential Tax Information Authorization form (Authorization) grants the Department of Revenue (DOR) permission to disclose to any individual, corporation, firm, organization, or partnership you designate to inspect and/or receive your confidential tax information for the type of tax and year(s) or period(s) you list on the form. Please read the instructions that follow.

PLEASE PRINT OR TYPE

If you were asked to send this document to a specific department employee, enter that person's name on the **Attention** line at the top of the document along with his or her fax number. Otherwise, see instructions Part 7.

Part 1

Please enter your UBI/Tax Registration Number or other identifying number assigned by DOR (e.g. 600-600-600).

Part 2

Provide complete information about the taxpayer that is granting authorization for disclosure of their confidential tax information. This must include the following information or the Authorization cannot be processed:

- Legal name of the taxpayer (eg. owner name/partnership name/corporate name/ limited liability company (LLC) name etc).
- Mailing address of the taxpayer.
- Contact telephone number for the taxpayer (including fax number, e-mail address, and FEIN if available).
- Indicate if either the address or telephone number are new to the account.

Part 3

Provide complete information regarding the person or company to whom the information is to be disclosed. This must include the following information or the Authorization cannot be processed:

- Name of the person, company, or firm to whom the information can be released.
- Full mailing address of the person, company, or firm.
- Contact telephone number of the person, company, or firm (including fax number and e-mail address if available).
- Check the applicable box * indicating whether this Authorization is new or replaces current Authorization(s) on file, or adds an additional person or company to the current Authorization on file.

(*Checking the new or replacement box will cancel previous Authorization on file)

To only cancel an existing Authorization on your account

Complete Parts 1, 2, 3, and 6. In Part 3 write "cancel previous Authorizations" in the name and address box.

Part 4

Indicate the information to be released to the person or company. You can choose to be very specific, limiting the information to be disclosed, or you can indicate "all" to indicate no limitations to the information to be disclosed.

Part 5

Indicate the year(s) or filing period(s) for the information that you wish to be disclosed to the person or company, or state "all" to indicate that there are no limitations.

Part 6

To complete this section, you must be an authorized signer. Authorized signers are generally the business owner, a partner, corporate officer, or LLC member listed in Washington State records. If you can't be verified by the Department as an authorized signer, it is your responsibility to provide supporting documentation that indicates you are authorized to give the Department this permission (e.g. corporate minutes, annual report, letter of delegation, job description, certain in-person contact, guardian, executor, receiver, administrator, etc.). If your documentation can't be verified, your request will not be allowed and you will be notified by the Department.

Part 7

Keep a copy of this completed form for your files. Unless instructed otherwise, fax this form to Taxpayer Services, (360) 705-6696 or mail to PO Box 47478, Olympia, WA 98504-7478.

If you have questions, visit dor.wa.gov or call 1-800-647-7706. To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 705-6715. Teletype (TTY) users may call 1-800-451-7985.



DEPARTMENT OF REVENUE
TAX INQUIRY STATEMENT

You may use this form as a guide to request a written response to your tax inquiry. You may leave this form with a Department of Revenue employee or mail your question to the address below.

Date: _____ Year: _____

1. My name is: _____

Business Name: _____

Street Address: _____

City: _____ State: _____ Zip Code: _____

Phone: (____) _____ Tax Registration/UBI No.: _____

Office Visited: _____

2. My question is (give detailed information about your request. If more space is needed, please attach additional sheets to this form).

Taxpayer Services
PO Box 47478
Olympia, WA 98504-7478
Fax: (360) 705-6655

You can expect a reply within 10 working days **if the taxpayer in question is identified.**

For tax assistance, visit dor.wa.gov or call 1-800-647-7706. To inquire about the availability of this document in an alternate format for the visually impaired please call (360) 705-6715. Teletype (TTY) users may call 1-800-451-7985.

REV 27 0008 (8/25/08)



BUYERS' RETAIL SALES TAX EXEMPTION CERTIFICATE

Not to be used as a resale certificate

Vendor/Seller		Date	
Street Address	City	State	Zip Code

I, the undersigned buyer, certify I am making an exempt purchase for the following reason: *(check applicable box(es))*

1. Manufacturing Machinery and Equipment:

- ☐ Check here if using as a blanket certificate for these purchases.
- a. ☐ Used directly in a manufacturing operation.
- b. ☐ Used directly in a research and development operation.

2. Nonresident:

Place of residence: _____

Type of proof of residence accepted (drivers license, fishing license, etc) _____ ,
including any identification numbers _____ and expiration date _____ .

- a. ☐ Equipment for use in a farming activity *(Include brand, model and address of use):*

b. ☐ Watercraft *(Include make, model and serial number of vessel):*

☐ Registered or documented with the US Coast Guard or state of principal use and will leave Washington waters within 45 days; or

☐ Buyer is a resident of a foreign country. Purchase is for use outside Washington and will leave Washington waters within 45 days.

Seller's Signature: _____

- c. ☐ Tangible personal property other than motor vehicles and those mentioned above for use outside Washington by a resident of a state, possession, or province of Canada, with a sales tax rate of less than three percent.

3. Interstate or Foreign Commerce or Commercial Deep Sea Fishing Business:

- a. ☐ Motor vehicles, trailers and component parts thereof used to transport persons or property *for hire* in interstate or foreign commerce.
- b. ☐ Airplanes, locomotives, railroad cars or watercraft and component parts thereof used in transporting persons or property *for hire*.
- c. ☐ Labor and services rendered to construct, repair, clean, alter or improve *for hire* carrier property.
- d. ☐ Items for use connected with private or common carriers engaged in air, rail or water in interstate or foreign commerce. *(Note: Items consumed in the state are subject to use tax.)*
- e. ☐ Fuel to be consumed outside of Washington by a vessel primarily engaged in foreign commerce.

Vessel Name: _____

Type of Fuel: _____ Quantity: _____

- f. ☐ Watercraft, component parts, labor and services, and/or diesel fuel used in a qualifying commercial deep sea fishing operation.

Registered Vessel Name: _____ Vessel Number: _____

4. Sales to Indians:

- a. ☐ Tangible personal property or services purchased by Indians or Indian tribes when the goods are delivered to or services provided within Indian country.
- b. ☐ Supplies or services purchased by prime contractors hired by Indian tribes to perform construction in Indian Country when the goods are delivered to or services provided in Indian country.

5. Other:

- a. ☐ Prescription items (*describe*): _____
- b. ☐ Machinery and equipment (*including labor and services to install*) used in generating electricity using fuel cells, wind, solar energy or landfill gas.
- c. ☐ Biofuel blend machinery and equipment and the construction of retail biofuel blend facilities.
- d. ☐ Biofuel blend delivery vehicles and labor and service charges related to such vehicles.
- e. ☐ Equipment rental and purchase of services for use in motion picture and video production.
- f. ☐ Objects of art or cultural value purchased by an artistic or cultural organization.
- g. ☐ Livestock for breeding purposes.

Animal Type: _____ Registered Breed Association: _____

Animal Name: _____

- h. ☐ Animal pharmaceuticals purchased by veterinarians (*describe*): _____
- i. ☐ Computer hardware, peripherals, software and related installation, used by the aerospace industry.
- j. ☐ Computer hardware, peripherals, software and related installation, purchased by publishers and printers.
- k. ☐ City, County, Tribal, or Inter-Tribal Housing Authorities.
- l. ☐ Tangible personal property for use in a noncontiguous state delivered to the usual receiving terminal of the shipper.

Type of Goods Purchased: _____

Point of Delivery: _____ Carrier/Agent: _____

- m. ☐ Gases and chemicals used by a manufacturer or processor for hire in the production of semiconductor materials.
- n. ☐ Solar hot water systems, water heating collectors, solar heat exchanges or differential solar controllers and labor to repair, install, or clean equipment.
- o. ☐ Tangible personal property under the weatherization assistance program.
- p. ☐ Waste vegetable oil used to produce biodiesel fuel for personal use.
- q. ☐ Trail Grooming Services
- r. ☐ Honey bees purchased by an eligible apiarist. Apiarist ID #: _____
- s. ☐ Federal credit union purchases

I, the undersigned buyer, understand that by completing and signing this certificate I am certifying that I qualify for the tax-exempt purchase(s) indicated above. I understand that I will be required to pay sales or use tax on purchases that do not qualify for an exemption. In addition, I understand that false or erroneous use of this certificate will result in liability for unpaid tax with interest and may result in additional penalties.

Type of entity: ☐ Individual ☐ Corporation ☐ Sole Proprietor ☐ Partnership ☐ Other (Explain)

Type of Business: _____ Tax Registration No.: _____

Name of Buyer: _____ Title: _____

Signature of Buyer: _____

Street Address: _____

City: _____ State: _____ Zip: _____

Seller must maintain a copy. Do not send to Department of Revenue.

Each exemption on this form has specific rules (see instructions)

INSTRUCTIONS

Buyers must ensure entitlement to the exemption before using this Certificate. For information regarding exemptions, contact Washington State Department of Revenue Taxpayer Information Center at (360) 705-6705 or 1-800-647-7706 or visit the Department's web site at: dor.wa.gov.

Lines 1a and 1b apply to machinery and equipment for use directly in a manufacturing, processing for hire or research and development activity as outlined in RCW 82.08.02565. This exemption **does not** apply to: consumable items, nonpowered hand tools, property with a useful life of less than one year, or building fixtures that are not integral to the manufacturing operation. Certain repair or replacement parts are also exempt. Reference: RCW 82.08.02565 and WAC 458-20-13601.

Line 2a applies to machinery, implements, repair parts and labor purchased in this state by a nonresident for use in conducting a farming activity outside the state. The equipment must be transported outside the state immediately upon purchase. **Seller must examine and record buyer's proof of residency.** See WAC 458-20-239 for acceptable proof of residency. Reference: RCW 82.08.0268 and WAC 458-20-239.

Line 2b applies to watercraft purchased by a nonresident for use outside Washington when delivery takes place in Washington. The buyer must provide proof of residency (picture ID) and check the applicable box. By checking the box, the buyer certifies that the vessel will leave Washington State waters within forty-five days. Sellers must examine and document the proof of residency provided by the buyer. **Seller must sign the form.** By signing the form, the seller certifies that the seller has examined and listed the buyer's proof of residency. See WAC 458-20-238 for acceptable proof of residency for corporations, partnerships and limited liability companies. Reference: RCW 82.08.0266, RCW 82.08.02665, and WAC 458-20-238.

Line 2c applies to purchases of tangible personal property other than motor vehicles and that mentioned on lines 2a, b, and c for use outside Washington by a resident of a state, possession, or province of Canada with a sales tax rate of less than three percent (e.g. Oregon, Alaska). Reference: RCW 82.08.0273, WAC 458-20-193 (6)(b) and ETA 2014.08.193.

NOTE: Sales of motor vehicles are not covered by this certificate; please refer to RCW 82.08.0264 and WAC 458-20-177 for certificate and exemption information.

Line 3a applies to the purchase of motor vehicles, or trailers by a business operating or contracting to operate for the holder of a carrier permit issued by the Interstate Commerce Commission. The exemption also applies to component parts and repairs of such carrier property including labor and services rendered in the course of constructing, repairing, cleaning, altering or improving the same. The buyer must attach a list stating make, model, year, serial number, motor number and ICC permit number. Reference: RCW 82.08.0263 and WAC 458-20-174.

Line 3b applies to the purchase of airplanes, locomotives, railroad cars, or watercraft for use in conducting interstate or foreign commerce by transporting therein or therewith persons or property **for hire**. The exemption also applies to component parts of such carrier property. Reference: RCW 82.08.0262 and WAC 458-20-175.

Line 3c applies to charges for labor and services rendered in the course of constructing, repairing, cleaning, altering or improving carrier property when carrier property is used **for hire**. Reference: RCW 82.08.0262 and WAC 458-20-175.

Line 3d applies to purchases of durable goods or consumables, other than those mentioned in line 3b, for use in connection with interstate or foreign commerce by such businesses. The goods must be for exclusive use while engaged in transporting persons or property in interstate or foreign commerce. The exemption **does not** apply to charges for labor or services in regard to the installing, repairing, cleaning or altering of such property. Although exempt from retail sales tax, materials are subject to use tax if consumed in Washington. Unregistered businesses must attach a list stating the description and quantity of items that will be consumed in Washington and pay use tax to the seller. Reference: RCW 82.08.0261 and WAC 458-20-175.

Line 3e applies to fuel consumed outside the territorial waters of the United States by vessels used primarily in foreign commerce. Buyers must list the vessel name, type of fuel and quantity. Reference: RCW 82.08.0261 and WAC 458-20-175.

Line 3f applies to the purchase of vessels, component parts, or repairs by persons engaged in commercial deep sea fishing operations outside the territorial waters of the state of Washington. The exemption also applies to the purchase of diesel fuel used in commercial deep or commercial passenger fishing operations when annual gross receipts therefrom are at least five thousand dollars. Reference: RCW 82.08.0262, RCW 82.08.0298, and WAC 458-20-176.

Line 4a applies to the purchase of tangible personal property or services by an Indian or Indian tribe. The goods or services must be delivered to, or performed on the reservation. The purchaser must present a tribal membership card, a treaty fishing card, a certificate of enrollment, or a letter from a tribal official. Sellers must document the buyer's name, dollar amount of purchase, tribal affiliation and reservation where delivery is made. Reference: RCW 82.08.0254 and WAC 458-20-192.

Line 4b applies to the purchase of consumable supplies, equipment rentals or services by a prime contractor hired by an Indian tribe to perform construction in Indian Country where the goods or services are delivered to, or performed on the reservation. The purchaser must present a construction contract with the tribe or a letter from a tribal official evidencing that they are working directly with the Tribe. Sellers must document the buyer's name, dollar amount of purchase, and reservation where delivery is made. Reference: RCW 82.08.0254 and WAC 458-20-192.

Line 5a applies to the purchase by a medical practitioner, chiropractor, nursing home, or hospital of items to be prescribed and used for the treatment of illness or ailments of human beings. To qualify, certain of these items must be prescribed. Reference: WAC 458-20-18801.

Line 5b applies to the purchases of qualifying machinery and equipment (and charges for labor and services to install) used directly in generating electricity using wind, solar energy, or landfill gas as the principal source of power at a facility capable of generating not less than two hundred watts of electricity. Effective July 1, 2001, the exemption includes purchases of fuel cells used in generating electricity. Reference: RCW 82.08.02567 and WAC 458-20-263.

Line 5c applies to the purchase of machinery and equipment and the construction of facilities used directly for the retail sale of biodiesel fuel blend, E85 motor fuel, and wood biomass fuel blend. Reference: RCW 82.08.955 and RCW 82.08.960.

Line 5d applies to the purchase of fuel delivery vehicles and labor and service charges related to such vehicles provided 75% of the fuel distributed by them is biodiesel fuel blend, alcohol fuel blend, and wood biomass fuel blend. Reference: RCW 82.08.955 and RCW 82.08.960.

Line 5e applies to the rental of production equipment and the purchase of production services by motion picture and video production companies. Reference: RCW 82.08.0315 and Motion Picture-Video Production Special Notice, available from the Department.

Line 5f applies to the purchase of objects of art or cultural value and items used in the creation of such objects, or in displaying art objects or presenting artistic or cultural exhibitions or performances by artistic or cultural organizations. Reference: RCW 82.08.031 and WAC 458-20-249.

Line 5g applies to the purchase of livestock for breeding purposes. "Livestock" is defined in RCW 16.36.005. The animal must be registered in a nationally recognized breed association. Reference: RCW 82.08.0259 and WAC 458-20-210.

Line 5h applies to the purchase of animal pharmaceuticals by veterinarians or farmers for the purposes of administering to an animal raised for sale by a farmer. Animal pharmaceuticals must be approved by the United States Food and Drug Administration or the United States Department of Agriculture. Reference: RCW 82.08.880.

Line 5i applies to the purchase of computer hardware, peripherals, and software, and related installation, not otherwise eligible for the M&E exemption, used primarily in development, design, and engineering of aerospace products or in providing aerospace services. Reference: RCW 82.08.975.

Line 5j applies to the purchase of computer hardware, peripherals, digital cameras, software, and related installation not otherwise eligible for the M&E exemption that is used primarily in the printing or publishing of printed materials. The exemption includes repairs and replacement parts. Reference: RCW 82.08.806.

Line 5k applies to all retail purchases of goods and services by City, County, Tribal, or Inter-Tribal Housing Authorities. Reference: RCW 35.82.210.

Line 5l applies to the purchase of goods for use in a state, territory or possession of the United States which is not contiguous to any other state such as Alaska, Hawaii, Guam, and American Samoa. For the exemption to apply, the seller must deliver the goods to the usual receiving terminal of the for-hire carrier selected to transport the goods. Reference: RCW 82.08.0269 and WAC 458-20-193 (6)(c).

Line 5m applies to the sales of gases and chemicals used by a manufacturer or processor for hire in the production of semiconductor materials. Limited to gases and chemicals used to grow the product, deposit or grow permanent or sacrificial layers on the product, to etch or remove material from the product, to anneal the product, to immerse the product, to clean the product, and other uses where the gases and chemicals come into direct contact with the product during the production process, or gases and chemicals used to clean the chambers and other like equipment in which processing takes place. Reference: RCW 82.08.9651.

Line 5n applies to the purchase of OG-300 rated solar water heating systems, OG-100 rated solar water heating collectors, solar heat exchanges, or differential solar controllers, including repair and replacement parts and charges for labor and services to install, repair, clean, alter, or improve equipment. Reference: RCW 82.08.835.

Line 5o applies to purchases of tangible personal property used in the weatherization of residences under the weatherization assistance program. The tangible personal property must become a component part of the residence. Reference: ESHB 2847 (chapter 92, Laws of 2008).

Line 5p applies to purchases of waste vegetable oil from restaurants and food processors to produce biodiesel fuel for personal use. The exemption does not apply to persons that are engaged in selling biodiesel fuel at wholesale or retail. Reference: House Bill 3188, (chapter 237, Laws of 2008).

Line 5q applies to the purchases of trail grooming services by the state of Washington and nonprofit corporations organized under chapter 24.03 RCW. Trail grooming activities include snow compacting, snow redistribution, or snow removal on state or privately-owned trails. Reference: SB 6375.

Line 5r applies to the purchase of all honey bees purchased by an eligible apiarist. An eligible apiarist is a person who: owns or keeps one or more bee colonies; grows, raises, or produces honey bee products for sale at wholesale; and registers their hives/colonies with the WA State Department of Agriculture as required by RCW 15.60.021. Reference: SSSB 6468.

Line 5s applies to the purchase of goods and retail services by federally chartered credit unions. Federal credit unions are exempt from state and local consumer taxes under federal law, such as sales tax, lodging taxes and rental car tax. To be exempt, the federal credit union must pay for goods and services directly, such as by a check written on the federal credit union or a credit card issued to the federal credit union. Sellers should keep a copy of the check or credit card used for payment to substantiate the exempt nature of the sale. Reference: Det. No. 92-239, 17 WTD 32 (1998).

For tax assistance, visit dor.wa.gov or call 1-800-647-7706. To inquire about the availability of this form in an alternate format for the visually impaired, please call (360) 705-6715. Teletype (TTY) users may call 1-800-451-7985.



MONTHLY SMALL BUSINESS B&O TAX CREDIT TABLE

Note:
Keep this table as a reference for future returns or access it at the Department's website at <http://dor.wa.gov>.

If Your Total Business and Occupation Tax is:		Your Small Business B&O Tax Credit is:
<i>At Least</i>	<i>But less Than</i>	
\$ 0	\$36	Equal to the Amount of B&O Tax Due
\$36	\$41	\$35
\$41	\$46	\$30
\$46	\$51	\$25
\$51	\$56	\$20
\$56	\$61	\$15
\$61	\$66	\$10
\$66	\$71	\$ 5
\$71	or more	\$ 0

How to Determine Your Small Business Credit

- Step 1:** Determine the total Business and Occupation (B&O) tax due. (Add total tax due of all B&O classifications on your tax return.) If taking additional B&O tax credit(s), a worksheet is provided for your convenience on the reverse side.
- Step 2:** Locate the total B&O tax due in the table above.
- Step 3:** Read across to the next column. This is the amount of your Small Business B&O Tax Credit.
- Step 4:** Write the amount on page 2, under the Credits section of your return, on the Small Business B&O Tax Credit line.

Note: *If your total B&O tax due is less than \$36, the Small Business B&O Tax Credit will be equal to the amount of B&O tax due.*

FOR YOUR USE ONLY, PLEASE DO NOT RETURN THIS TO THE DEPARTMENT.

For tax assistance, visit dor.wa.gov or call 1-800-647-7706. To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 705-6715. Teletype (TTY) users please call 1-800-451-7985.

REV 41 0056 (4-18-07)

Small Business B&O Tax Credit Worksheet

(Use this worksheet to help calculate the Small Business B&O Tax Credit when additional business and occupation tax credit(s) are being taken.)

Step A:	Determine the total Business and Occupation (B&O) tax due. (Add total tax due of all B&O classifications on your Department of Revenue tax return.)		\$ _____
Step B:	Add together the credit amounts taken for:		
	Multiple Activities Tax Credit	\$ _____	
	Mfg. Software/Programming Rural Employment B&O Credit	+ \$ _____	
	Help Desk Services B&O Credit	+ \$ _____	
	International Services Credit	+ \$ _____	
	Customized Employment Training Credit	+ \$ _____	
	Hospital Patient Handling B&O Credit	+ \$ _____	
	B&O Credit for Syrup Tax Paid	+ \$ _____	
	Other Credits (for example: Commute Trip Reduction, LIHEAP PUT, etc.)	+ \$ _____	
	Total (Enter 0 if none of these credits are being taken.)▶	\$ _____
Step C:	Subtract Step B from Step A. <i>This is the amount of B&O tax due</i> used to determine the Small Business B&O Tax Credit. Proceed to Step 2 on the reverse side.		
	TOTAL		\$ _____



QUARTERLY SMALL BUSINESS B&O TAX CREDIT TABLE

If Your Total Business and Occupation Tax is:		Your Small Business B&O Tax Credit is:
<i>At Least</i>	<i>But less Than</i>	
\$ 0	\$106	Equal to the Amount of B&O Tax Due
\$106	\$111	\$105
\$111	\$116	\$100
\$116	\$121	\$ 95
\$121	\$126	\$ 90
\$126	\$131	\$ 85
\$131	\$136	\$ 80
\$136	\$141	\$ 75
\$141	\$146	\$ 70
\$146	\$151	\$ 65
\$151	\$156	\$ 60
\$156	\$161	\$ 55

If Your Total Business and Occupation Tax is:		Your Small Business B&O Tax Credit is:
<i>At Least</i>	<i>But Less Than</i>	
\$161	\$166	\$50
\$166	\$171	\$45
\$171	\$176	\$40
\$176	\$181	\$35
\$181	\$186	\$30
\$186	\$191	\$25
\$191	\$196	\$20
\$196	\$201	\$15
\$201	\$206	\$10
\$206	\$211	\$ 5
\$211	or more	\$ 0

How to Determine Your Small Business Credit

- Step 1:** Determine the total Business and Occupation (B&O) tax due. (Add total tax due of all B&O classifications on your tax return.) If taking additional B&O tax credit(s), a worksheet is provided for your convenience on the reverse side.
- Step 2:** Locate the total B&O tax due in the table above.
- Step 3:** Read across to the next column. This is the amount of your Small Business B&O Tax Credit.
- Step 4:** Write the amount on page 2, under the Credits section of your return, on the Small Business B&O Tax Credit line.
- Note:** *If your total B&O tax due is less than \$106, the Small Business B&O Tax Credit will be equal to the amount of B&O tax due.*

FOR YOUR USE ONLY, PLEASE DO NOT RETURN THIS TO THE DEPARTMENT.

For tax assistance, visit dor.wa.gov or call 1-800-647-7706. To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 705-6715. Teletype (TTY) users please call 1-800-451-7985.

REV 41 0057 (5-10-07)

Small Business B&O Tax Credit Worksheet

(Use this worksheet to help calculate the Small Business B&O Tax Credit when additional business and occupation tax credit(s) are being taken.)

Step A:	Determine the total Business and Occupation (B&O) tax due. (Add total tax due of all B&O classifications on your Department of Revenue tax return.)	\$ _____
Step B:	Add together the credit amounts taken for:	
	Multiple Activities Tax Credit	\$ _____
	Mfg. Software/Programming Rural Employment B&O Credit	+ \$ _____
	Help Desk Services B&O Credit	+ \$ _____
	International Services Credit	+ \$ _____
	Customized Employment Training Credit	+ \$ _____
	Hospital Patient Handling B&O Credit	+ \$ _____
	B&O Credit for Syrup Tax Paid	+ \$ _____
	Other Credits (for example: Commute Trip Reduction, LIHEAP PUT, etc.)	+ \$ _____
	Total (Enter 0 if none of these credits are being taken.)▶ \$ _____
Step C:	Subtract Step B from Step A. <i>This is the amount of B&O tax due</i> used to determine the Small Business B&O Tax Credit. Proceed to Step 2 on the reverse side.	
	TOTAL	\$ _____



Annual Small Business B&O Tax Credit Table

If Your Total Business & Occupation Tax is:		Your Small Business B&O Tax Credit is:	If Your Total Business & Occupation Tax is:		Your Small Business B&O Tax Credit is:	If Your Total Business & Occupation Tax is:		Your Small Business B&O Tax Credit is:
At Least	But Less Than		At Least	But Less Than		At Least	But Less Than	
\$ 0	\$421	Equal to the Amount of B&O Tax Due	\$561	\$566	\$280	\$706	\$711	\$135
\$421	\$426	\$420	\$566	\$571	\$275	\$711	\$716	\$130
\$426	\$431	\$415	\$571	\$576	\$270	\$716	\$721	\$125
\$431	\$436	\$410	\$576	\$581	\$265	\$721	\$726	\$120
\$436	\$441	\$405	\$581	\$586	\$260	\$726	\$731	\$115
\$441	\$446	\$400	\$586	\$591	\$255	\$731	\$736	\$110
\$446	\$451	\$395	\$591	\$596	\$250	\$736	\$741	\$105
\$451	\$456	\$390	\$596	\$601	\$245	\$741	\$746	\$100
\$456	\$461	\$385	\$601	\$606	\$240	\$746	\$751	\$ 95
\$461	\$466	\$380	\$606	\$611	\$235	\$751	\$756	\$ 90
\$466	\$471	\$375	\$611	\$616	\$230	\$756	\$761	\$ 85
\$471	\$476	\$370	\$616	\$621	\$225	\$761	\$766	\$ 80
\$476	\$481	\$365	\$621	\$626	\$220	\$766	\$771	\$ 75
\$481	\$486	\$360	\$626	\$631	\$215	\$771	\$776	\$ 70
\$486	\$491	\$355	\$631	\$636	\$210	\$776	\$781	\$ 65
\$491	\$496	\$350	\$636	\$641	\$205	\$781	\$786	\$ 60
\$496	\$501	\$345	\$641	\$646	\$200	\$786	\$791	\$ 55
\$501	\$506	\$340	\$646	\$651	\$195	\$791	\$796	\$ 50
\$506	\$511	\$335	\$651	\$656	\$190	\$796	\$801	\$ 45
\$511	\$516	\$330	\$656	\$661	\$185	\$801	\$806	\$ 40
\$516	\$521	\$325	\$661	\$666	\$180	\$806	\$811	\$ 35
\$521	\$526	\$320	\$666	\$671	\$175	\$811	\$816	\$ 30
\$526	\$531	\$315	\$671	\$676	\$170	\$816	\$821	\$ 25
\$531	\$536	\$310	\$676	\$681	\$165	\$821	\$826	\$ 20
\$536	\$541	\$305	\$681	\$686	\$160	\$826	\$831	\$ 15
\$541	\$546	\$300	\$686	\$691	\$155	\$831	\$836	\$ 10
\$546	\$551	\$295	\$691	\$696	\$150	\$836	\$841	\$ 5
\$551	\$556	\$290	\$696	\$701	\$145	\$841	or more	\$ 0
\$556	\$561	\$285	\$701	\$706	\$140			

How to Determine Your Small Business Credit

- Step 1:** Determine the total Business and Occupation (B&O) tax due. (Add total tax due of all B&O classifications on your tax return.) If taking additional B&O tax credit(s), a worksheet is provided for your convenience on the reverse side.
- Step 2:** Locate the total B&O tax due in the table above.
- Step 3:** Read across to the next column. This is the amount of your Small Business B&O Tax Credit.
- Step 4:** Write the amount on page 2, under the Credits section of your return, on the Small Business B&O Tax Credit line.

Note: *If your total B&O tax due is less than \$421, the Small Business B&O Tax Credit will be equal to the amount of B&O tax due.*

FOR YOUR USE ONLY, PLEASE DO NOT RETURN THIS TO THE DEPARTMENT.

For tax assistance, visit dor.wa.gov or call 1-800-647-7706. To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 705-6715. Teletype (TTY) users please call 1-800-451-7985.

REV 41 0058 (10-30-08)

Small Business B&O Tax Credit Worksheet

(Use this worksheet to help calculate the Small Business B&O Tax Credit when additional business and occupation tax credit(s) are being taken.)

Step A: Determine the total Business and Occupation (B&O) tax due.
(Add total tax due of all B&O classifications on your Department of Revenue tax return.) \$ _____

Step B: Add together the credit amounts taken for:

Multiple Activities Tax Credit \$ _____

Mfg. Software/Programming Rural
Employment B&O Credit + \$ _____

Help Desk Services B&O Credit + \$ _____

International Services Credit + \$ _____

Customized Employment Training
Credit + \$ _____

Hospital Patient Handling
B&O Credit + \$ _____

B&O Credit for Syrup Tax Paid + \$ _____

Other Credits (for example: Commute
Trip Reduction, LIHEAP PUT, etc.) + \$ _____

Total (Enter 0 if none of these credits
are being taken.)> \$ _____

Step C: Subtract Step B from Step A. *This is the amount of B&O tax due* used to determine the Small Business B&O Tax Credit.
Proceed to Step 2 on the reverse side.

TOTAL \$ _____



PRE-CONSULTATION VISIT QUESTIONNAIRE

➤ **Please respond to the following items in black or blue ink**

Tax Registration Number: _____ - _____ - _____ Date: ____ / ____ / ____

1. Describe your business activity, including various sources of income: _____

2. Do you receive miscellaneous income (i.e., commissions, interest, royalties, rents)? ☐ Yes ☐ No

3. Do you bill customers for freight/shipping charges?..... ☐ Yes ☐ No

4. Do you separately bill customers for reimbursement of expenses?..... ☐ Yes ☐ No

5. Do you exchange goods/services for other goods/services? ☐ Yes ☐ No

6. Do you collect retail sales tax? ☐ Yes ☐ No

7. Have you sold business assets (i.e., equipment, furniture, fixtures)? ☐ Yes ☐ No

8. Do you offer cash/trade discounts or other allowances? ☐ Yes ☐ No

9. Do you make sales or provide services to customers outside Washington?. ☐ Yes ☐ No

10. Do you make in-state sales or provide services to:

a. Non-residents? ☐ Yes ☐ No

b. Native Americans?..... ☐ Yes ☐ No

c. Government agencies?..... ☐ Yes ☐ No

11. Do you have uncollectible sales/bad debts?..... ☐ Yes ☐ No

12. Do you issue or accept exemption certificates for:

a. Resale?..... ☐ Yes ☐ No

b. Manufacturer's Machinery & Equipment? ☐ Yes ☐ No

c. Tax Deferrals? ☐ Yes ☐ No

d. Others? Describe: _____ ☐ Yes ☐ No

13. Are there other specific issues or questions you would like to discuss during the consultation visit? (If yes, please share your comments below.) ☐ Yes ☐ No

Business Name: _____ Contact Person _____

Telephone Number: () _____ Best time for us to contact you: _____

For tax assistance, visit dor.wa.gov or call 1-800-647-7706. To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 705-6715. Teletype (TTY) users may call 1-800-451-7985.

REV 31 1454 (2/26/08)

(Please see next page)

**Please fax, mail, or deliver to the Field Office nearest you or
fax to Audit Standards & Procedures at (360) 586-5886.**

**Department of Revenue
Field Office Locations**

BELLINGHAM (360) 676-2114
Mon-Fri 8am-11:30am, 12:30pm-5pm
Fax: (360) 676-2124

Delivery Address:

1904 Humboldt Street, Suite A

Mailing Address:

Post Office Box 1176 98227-1176

EVERETT (425) 356-4800

Mon-Fri 8am-5pm

Fax: (425) 356-4840

Delivery & Mailing Address:

9930 Evergreen Way, Suite Y-150
98204-3893

KENT (253) 437-3440

Mon-Fri 8am-5pm

Fax: (253) 437-3491

Delivery & Mailing Address:

20819 72nd Avenue South, Suite 680
98032

PORT ANGELES (360) 417-9900

Mon, Wed, & Fri 8am-11:30am,
12:30pm-5pm; Closed Tues & Thurs

Fax: (360) 417-9915

Delivery Address:

734 East First Street, Suite B

Mailing Address:

Post Office Box 400 98362-0064

RICHLAND (509) 734-7526

Mon-Fri 8am-11:30am, 12:30pm-5pm

Fax: (509) 734-7535

Delivery Address:

1657 Fowler Street

Mailing Address:

Post Office Box 140 99352

SEATTLE (206) 956-3000

Mon-Fri 8am-5pm

Fax: (206) 956-3037

Delivery & Mailing Address:

2101 4th Avenue, Suite 1400
98121-2300

SPOKANE (509) 327-0200

Mon-Fri 8am-5pm

Fax: (509) 327-022

Delivery & Mailing Address:

1330 North Washington, Suite 5600
99201-2456

TACOMA (253) 382-2000

Mon-Fri 8am-5pm

Fax: (253) 382-2011

Delivery Address:

3315 South 23rd Street, Suite 300

Mailing Address:

Post Office Box 111180 98411-1180

TUMWATER (360) 725-7515

Mon-Fri 8am-5pm

Fax: (360) 586-7603

Delivery Address:

6500 Linderson Way SW, Suite 101

Mailing Address:

Post Office Box 47478 98504-7478

VANCOUVER (360) 256-2060

Mon-Fri 8am-5pm

Fax: (360) 256-2070

Delivery Address:

8008 NE 4th Plain Blvd, Suite 320

Mailing Address:

Post Office Box 1648 98668-1648

WENATCHEE (509) 663-9714

Mon-Fri 8am-11:30am, 12:30pm-5pm

Fax: (509) 664-1243

Delivery Address:

630 North Chelan Avenue, Suite B3

Mailing Address:

Post Office Box 220 98807-0220

YAKIMA (509) 454-5160

Mon-Fri 8am-11:30am, 12:30pm-5pm

Fax: (509) 454-5170

Delivery & Mailing Address:

3703 River Road, Suite 3
98902-7325

This table shows the common classifications reported on the excise tax return. It provides general guidelines, not specific reporting instructions.

For instance, if you conduct multiple activities, it may be necessary to report under several B&O tax classifications. Specific activities, such as cigarette sales, may also be subject to other taxes. If you have questions, contact us or visit your local Revenue office.

Business Activity	Tax Classification	Rules/Laws
Accounting, Bookkeeping, Tax Preparation	Service & Other Activities B&O	WAC 458-20-224
Actuarial	Service & Other Activities B&O	WAC 458-20-224
Advertising Agencies	Service & Other Activities B&O	WAC 458-20-218
Amusement & Recreation Services	Retailing B&O, Retail Sales Tax, Regional Transit Authority, Service & Other Activities B&O	WAC 458-20-183; RCW 82.04.050
Appraiser	Service & Other Activities B&O	WAC 458-20-224
Architects	Service & Other Activities B&O, Retailing B&O, Retail Sales Tax, Regional Transit Authority	WAC 458-20-170; 224
Athletic Clubs	Retailing B&O, Retail Sales Tax, Regional Transit Authority, Service & Other Activities B&O	WAC 458-20-183
Attorneys	Service & Other Activities B&O	WAC 458-20-207
Beauty Salon/Barber	Service & Other Activities B&O, Retailing B&O, Retail Sales Tax, Regional Transit Authority	WAC 458-20-138; 224; Beauticians Tax Guide
Business Consulting	Service & Other Activities B&O	WAC 458-20-224
Car Wash	Retailing B&O, Retail Sales Tax, Regional Transit Authority	WAC 458-20-173
Catering	Retailing B&O, Retail Sales Tax, Regional Transit Authority, Wholesaling B&O, King County Food & Beverage	WAC 458-20-119; 124; 12401
Child Care	Child Care B&O (School Age Children)	WAC 458-20-167; Child Care Operators Fact Sheet
Collection Contracts (without escrow)	Service & Other Activities B&O	WAC 458-20-156
Commission Salespersons/ Agents	Service & Other Activities B&O	WAC 458-20-159
Computer Services	Service & Other Activities B&O, Retailing B&O, Retail Sales Tax, Regional Transit Authority, Wholesaling B&O	WAC 458-20-155; 224

Business Activity	Tax Classification	Rules/Laws
Consumer Goods	Retailing B&O, Retail Sales Tax, Regional Transit Authority, Wholesaling B&O, Litter Tax	RCW 82.04.050
Construction	Wholesaling B&O, Retailing B&O, Retail Sales Tax, Regional Transit Authority, Public Road Construction B&O, Government Contracting B&O	WAC 458-20-170; 17001; 171; 172; 173; Construction Tax Guide
Court Reporters	Service & Other Activities B&O	WAC 458-20-224
Credit Bureau Services	Retailing B&O, Retail Sales Tax, Regional Transit Authority	RCW 82.04.050
Data Processing	Service & Other Activities B&O	WAC 458-20-155
Dentists/Orthodontists	Service & Other Activities B&O, Retailing B&O, Retail Sales Tax, Regional Transit Authority	WAC 458-20-151
Design Services	Service & Other Activities B&O, Retailing B&O, Retail Sales Tax, Regional Transit Authority	WAC 458-20-224; RCW 82.04.050
Engineers	Service & Other Activities B&O, Retailing B&O, Retail Sales Tax, Regional Transit Authority	WAC 458-20-170; 224
Escrow Services	Retailing B&O, Retail Sales Tax, Regional Transit Authority	WAC 458-20-156
Farming for Hire	Service & Other Activities B&O	WAC 458-20-209
Games of Chance	Service & Other Activities B&O	WAC 458-20-131
Graphic Design	Service & Other Activities B&O, Retailing B&O, Retail Sales Tax, Regional Transit Authority	WAC 458-20-224; 155; RCW 82.04.050
Grocery & Convenience Stores	Retailing B&O, Retail Sales Tax, Regional Transit Authority, Litter Tax	WAC 458-20-244; 243
Hotels, Motels	Retailing B&O, Retail Sales Tax, Regional Transit Authority, Convention & Trade, Special Hotel/Motel, King County Food & Beverage, Service & Other Activities B&O	WAC 458-20-118; 124; 12401; 166
Insurance Agent, Broker, Solicitor	Insurance Agent Commissions	WAC 458-20-164; 163
Insurance Adjuster	Service & Other Activities B&O	WAC 458-20-212
Internet Service Providers	Service & Other Activities B&O	WAC 458-20-155; 224
Janitorial	Service & Other Activities B&O	WAC 458-20-172
Landscape Gardeners	Retailing B&O, Retail Sales Tax, Regional Transit Authority	WAC 458-20-226; RCW 82.04.050

Appendix i | Common Business Activities Table

Business Activity	Tax Classification	Rules/Laws
Laundry Services	Retailing B&O, Retail Sales Tax, Regional Transit Authority	WAC 458-20-165; 173; Special Notice 4/1/02
Legal, Arbitration, & Mediation	Service & Other Activities B&O	WAC 458-20-207; 224
Mailing Bureaus	Retailing B&O, Retail Sales Tax, Regional Transit Authority, Wholesaling B&O	WAC 458-20-141
Optometrists	Service & Other Activities B&O, Retailing B&O, Retail Sales Tax, Regional Transit Authority	WAC 458-20-150
Painting	Retailing B&O, Retail Sales Tax, Regional Transit Authority, Wholesaling B&O, Government Contracting B&O	WAC 458-20-173; 170; 17001
Photographers	Retailing B&O, Retail Sales Tax, Regional Transit Authority, Regional Transit Authority, Wholesaling B&O, Service & Other Activities B&O	WAC 458-20-140
Physicians	Service & Other Activities B&O	WAC 458-20-138; 151; 18801
Pressure Washing	Retailing B&O, Retail Sales Tax, Regional Transit Authority, Wholesaling B&O	WAC 458-20-173; RCW 82.04.050
Private Investigators	Service & Other Activities B&O	WAC 458-20-224
Protective Services	Service & Other Activities B&O	WAC 458-20-224
Rental of Equipment with Operator	Retailing B&O, Retail Sales Tax, Regional Transit Authority, Wholesaling B&O	WAC 458-20-211; RCW 82.04.050
Repair Tangible Personal Property	Retailing B&O, Retail Sales Tax, Regional Transit Authority, Wholesaling B&O	WAC 458-20-173
Restaurants	Retailing B&O, Retail Sales Tax, Regional Transit Authority, Litter Tax, King County Food & Beverage	WAC 458-20-12401; 119; 124; Restaurant Guide
Royalties	Royalties B&O	RCW 82.04.2907
Sales of Goods to U.S. Government	Retailing B&O, Retail Sales Tax	WAC 458-20-190
Sales to State/Local Government/Schools	Retailing B&O, Retail Sales Tax, Regional Transit Authority	WAC 458-20-189
Secretarial/Clerical/ Stenographers	Service & Other Activities B&O	WAC 458-20-224
Software	Retailing B&O, Retail Sales Tax, Regional Transit Authority, Service & Other Activities B&O	WAC 458-20-155; RCW 82.04.215

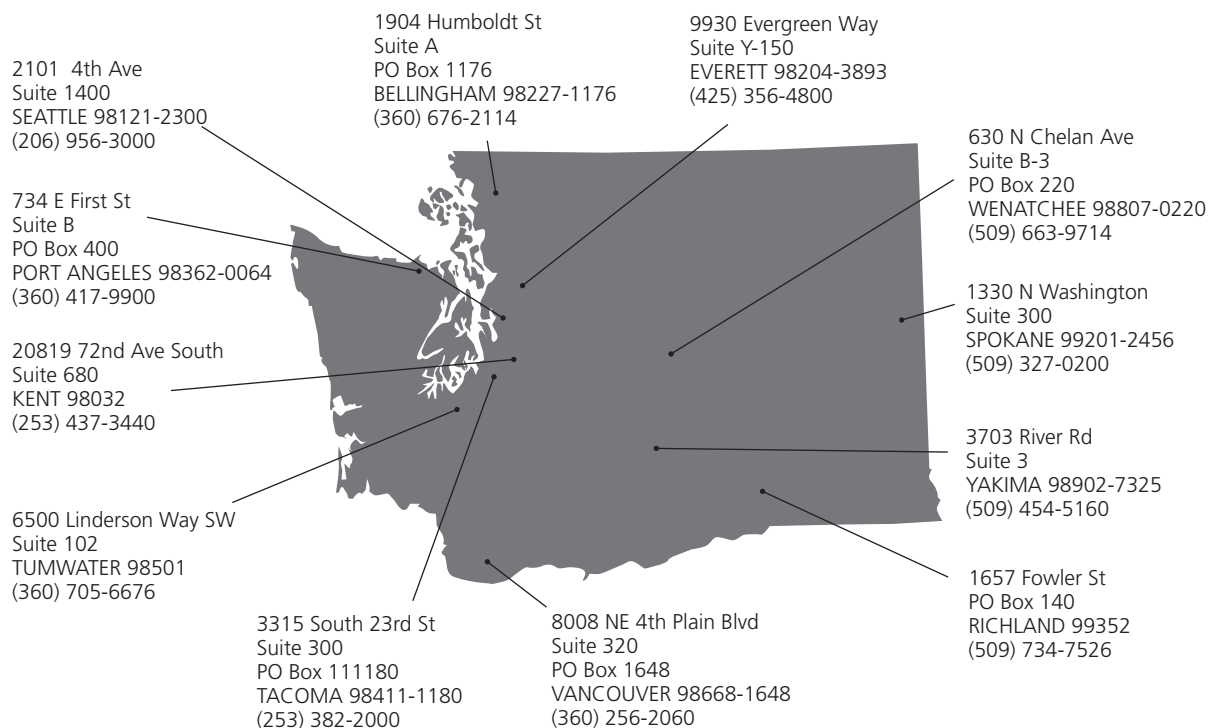
Business Activity	Tax Classification	Rules/Laws
Taverns	Retailing B&O, Retail Sales Tax, Regional Transit Authority, Litter Tax, King County Food & Beverage, Service & Other Activities B&O	WAC 458-20-119; 124; 12401; 131; Tavern Guide
Taxi	Urban Transportation Public Utility Tax, Motor Transportation Public Utility Tax	WAC 458-20-180; 179
Tour Operators	Service & Other Activities B&O, Retailing B&O, Retail Sales Tax, Regional Transit Authority	WAC 458-20-183; 258
Travel Agents	Travel Agent Commission B&O	WAC 458-20-258
Trucking	Urban Transportation Public Utility Tax, Motor Transportation Public Utility Tax	WAC 458-20-180; 179; 193D
Vending Machines	Retailing B&O, Retail Sales Tax, Regional Transit Authority	WAC 458-20-244
Veterinarians	Service & Other Activities B&O, Retailing B&O, Retail Sales Tax, Regional Transit Authority	WAC 458-20-222; Veterinarians Guide

Department of Revenue Taxpayer Assistance

Visit our web site at: dor.wa.gov

Telephone Information Center 1-800-647-7706

Local Office Locations



To inquire about the availability of this publication
in an alternate format for the visually impaired,
please call (360) 705-6715.

Teletype (TTY) users please call 1-800-451-7985.

